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# Near East/North Africa Report

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GULF COUNCIL SETS UP PERMANENT SECRETARIAT

Jiddah ARAB NEWS in English 16 Feb 81 p 2

[Text]

JEDDAH, Feb. 15 (SP A) Six Arab Gulf states have announced plans to step up the process of uniting their countries by setting up a General Council for cooperation and a permanent secretariat. The announcement made Saturday said that Saudi Arabia, Kuwait, Bahrain, Qatar, Oman and the United Arab Emirates would work to coordinate various activities with the aim of establishing common procedures and regulations. These would include economic, financial, educational, cultural, health, communications, information, passports and nationality, travel, commerce, customs, freight, legal and judicial affairs.

The agreement was reached in Riyadh earlier Feb. 4, when the foreign ministers of the six states met to thrash out a plan for cooperation first submitted by Kuwait in the form of a working paper. The Kuwaiti Foreign Affairs Minister Sabah Al Ahmad had toured the states before the third Islamic summit conference was held in Taif. It was agreed to form a council to handle the mechanics of closer unity among the member states.

The heads of the states will form the "supreme" council of the body with each leader presiding by rotation. It will meet twice a year and may do so more frequently if necessary. Each member has the right to call for an emergency meeting, supported by at least one other member. It will draw up the policy and the basic guidelines for the main body and to arbitrate in the event of dispute.

The Ministerial Council comprises the foreign ministers or their representatives. It will work out the statute of the Secretariat General. It will also prepare for meetings of the Higher Council. It will also prepare the

studies, issues, recommendations, statutes and legislation to be submitted to the Higher Council along with the meetings' time-table. It will hold six meetings a year, once every two months and can meet in extraordinary sessions upon a proposal by two member states. It will formulate the policies, recommendations studies and projects aimed at developing cooperation and coordination among member states in the various fields. It will also develop and promote various aspects of cooperation and coordination in the private sector. It will adopt the reports and the regulations and by-laws pertaining to administrative affairs and proposed by the Secretary General. It will also adopt the Secretariat General's budget and closing accounts. Furthermore, it will encourage, develop and coordinate the existing activities among member states in the various fields, which activities will be considered as binding in case they are adopted by the ministerial council. It can also recommend to the ministers concerned the policies and studies made to achieve the objectives of the Coordination Council.

The General Council will have a Secretary General appointed by the Higher Council which also specifies the conditions and duration of his mandate. He will be chosen from among the nationals of member states of the General Council. The secretary general will be directly responsible for the work of the assistant secretaries general (whose number was not specified) and that of the secretariat general as well as for the good running of the council's various sections. The secretariat general will have its own data bank and will prepare the studies regarding cooperation and coordination and follow up the

implementation by member states of resolutions and recommendations of the supreme council and the ministerial council. It will also prepare the reports and studies requested by the ministerial council as well as the reports on the activities of the General Council. It will also prepare the budgets and closing accounts as well as the draft financial and administrative statutes aimed at ensuring an advanced mechanism that can cope with the development and increasing responsibilities of the general council.

All member states of the general council will contribute equal shares to its budget.

The foreign ministers who met in Riyadh decided to hold another meeting in Muscat on March 8 which will be preceded by two experts meetings on February 24 and March 4 in Riyadh and Muscat respectively to codify in an integrated manner what was agreed upon earlier regarding the establishment of the Cooperation Council. The ministers had agreed to recommend to the states concerned to appoint a minister who will be in charge of cooperation affairs among Gulf countries in the future.

Meanwhile, Crown Prince Fahd stressed Saturday evening that the move was in no way a bloc or an axis no more than it is directed against anyone. On the contrary, it is a step forward for the advancement, prosper-

ity, fortitude and stability of the countries and people of the area as called for in the Arab League charter. He said that political commentators had better not speculate on whether the move was a prelude to a Gulf unity or federation or cooperation in the political and defense fields, because the proclamation of the new council added nothing new to what had already existed among Gulf countries. The desire for coordination, integration and the fostering of bonds in all fields and political and security coordination had been paramount in the thinking of the states for a long time.

Prince Fahd said that if the general council was confined to those six Gulf states only that was because of their similar character and systems in addition to the singleness of purpose and destiny as highlighted in the proclamation's preamble.

Information Minister Dr. Muhammad Abdo Yamani, in a televised interview Saturday evening, reiterated that the new body should not be interpreted as an alliance of any sort. "Against whom would Gulf states gang up?", the minister asked, since they do whatever they can to solve any feuds in the area and help a number of countries solve their problems. They even contribute a great deal to international economic stability and shoulder fully their responsibilities within the world Community.

CSO: 4820

ISLAMIC STATES LAUNCH CHAMBER OF COMMERCE

Jiddah ARAB NEWS in English 21 Feb 81 p 2

[Text]

KUWAIT, Feb. 20 — Saudi Arabia, Kuwait and the United Arab Emirates have contributed \$20,000 each to the newly established Islamic Chamber of Commerce. Morocco has offered \$10,000 and Iran 25,000 Swiss Francs, according to Sheikh Ismail Abu Dawood, chairman of the Saudi Arabian chamber of commerce.

Abu Dawood said other Islamic countries were also expected to send in their shares shortly. The contributions will keep the Islamic chamber going until next year, he added.

Abu Dawood said that he expected Islamic countries would pay generously for the construction of a permanent premises of the Islamic Chamber in Karachi. Pakistan has already donated a site of 5,000 square feet, he said.

Although the Islamic Chamber is still in its infancy, he said, "it has already embarked on important studies to establish an Islamic shipping company and another for re-insurance in which all Islamic countries as well as businessmen will have shares."

He said cooperation between the Kuwait and Saudi Chambers was excellent. "Our cooperation covers many fields, including the exchange of information related to the commercial developments," he added.

The conference noted with satisfaction the third Islamic summit a resolution extending the Arab boycott of Israel to all member states of the OIC. The conference urged the member states of the chamber to implement the resolution at an early date. The general assembly requested them to give special facilities to the PLO in the sphere of economic cooperation.

The general assembly has elected Abdulaziz Hamad al Sagar (President of the Kuwait Chamber of Commerce and Industry) as the chairman of the Islamic Economic Chamber. The conference also elected Momar Sourang of Senegal and Djanamar Adjan of Indonesia as vice-chairmen.

The general assembly of the chamber welcomed in principle the establishment of an Islamic re-insurance corporation. The proposal was made by a study group specially formed to explore the possibilities of independent reinsurance facility for the member countries, secretary-general of the chamber Sami Onaran (Turkey) said. The first expert group meeting on re-insurance will be held in Dacca, capital of Bangladesh in the second half of this year. The three-day general assembly meeting was presided over by the President of the Chamber, Sheikh Ismail Abu Dawood of Saudi Arabia. Representatives of the chambers from 24 countries and four Islamic organizations attended the confer-

ence which was inaugurated by Crown Prince and Prime Minister of Kuwait, Sheikh Saad al Abdulla al Sabah at the Kuwait Sheraton.

Bangladesh delegate Shamshul Alam, highlighting the salient features of the study on re-insurance problems and possibilities, said the ultimate aim of the proposed Islamic Re-Insurance Corporation would be a system through which the Islamic countries could liberate their trade from the clutches of the Western re-insurance monopolies.

The chairman of the expert group on shipping, Mustapha Gokal, analysed the negligible role being played at present by the Islamic countries in world shipping despite the available opportunities in the field. He

appreciated the creation of the Islamic Ship-owners Association and emphasized the urgent need for the establishment of an Islamic shipping company in the field of bulk cargoes.

Another major issue, discussed during the general assembly meeting was the formation of an Islamic common market. After hearing the explanation of Bangladesh delegation and noting the statement of the Organization of Islamic Conference (OIC) the representatives said this subject would be discussed during the seventh Islamic commission on economic, cultural and social affairs of the OIC to be held in Jakarta on March 30. The chamber general body decided to follow up the matter jointly with OIC.

CSO: 4820

ECONOMISTS DISCUSS ISLAMIC TRADE

Jiddah ARAB NEWS in English 16 Feb 81 p 3

[Article by Ahmad Shaaban]

[Text]

JEDDAH, Feb. 15 — Economists and financial experts from various Islamic countries opened a three-day meeting at the headquarters of the 42-nation Organization of the Islamic Conference here Saturday to consider various measures to expand trade among OIC member states. The talks are centered on two studies prepared separately by the central banks of Morocco and Syria.

The study presented by Morocco deals with a set of proposed measures to subsidize exports among member states. It also proposes multilateral arrangements for the guarantee of export credits. The Syrian paper deals with various measures to expand trade among member states with preferential arrangements by way of tariff reductions and by instituting margins of preference in the procurement of goods from each other.

The recommendations of the experts group formed by representatives from the Islamic Development Bank will be submitted to the Islamic states economy ministers, who are at the same time the governors of their respective central banks, when they hold their fourth conference in Khartoum, March 7-9. It was at the request of the second session of the conference of governors of central banks and monetary authorities of OIC member states that the two studies had been entrusted to the central banks of Morocco and Syria.

The governors held their third meeting in Riyadh, September 1-2, 1980, noted the detailed studies and stressed the need for more detailed discussion of the various problems and proposals raised in the studies. The OIC General Secretariat already submitted a report on the issue to the third Islamic summit held in Saudi Arabia last month.

CSO: 4820

ISLAMIC BODY ALLOCATES FUNDS FOR LEARNING

Jiddah ARAB NEWS in English 21 Feb 81 p 3

[Text]

JEDDAH, Feb. 20 — Representatives of 15 Islamic states resumed meetings at the Secretariat General of the Organization of the Islamic Conference here Saturday to apportion \$15 million from the financially-autonomous Islamic Solidarity Fund to Islamic associations and universities throughout the world.

The representatives who opened their meetings on Feb. 15 and will continue till March 3 are subdivided into five three-member committees for Asia; Africa; the Middle East; Europe and America; and the universities and scientific research. They will submit their report and recommendations to the 18th session of the ISF's permanent council which will meet here, April 6-9, under its President Dr. Ezzeddin Ibrahim, cultural adviser to Sheikh Zayed ibn Sultan Al-Nahayan, president of the United Arab Emirates.

Members of the ISF's permanent council are Saudi Arabia, the United Arab Emirates, Kuwait, Iraq, Libya, Sudan, Pakistan, Turkey, Mauritania, Malaysia, Djibouti, Tunisia

and the Comoros, apart from the OIC secretary general and the fund's president.

The fund's budget was around \$15 million last year and this year, but the third Islamic summit recently held in the Kingdom took a decision that as of next year the ISF's budget will be raised to \$50 million, Islamic officials told *Arab News* Thursday. Unlike the OIC general secretariat's budget which is mainly financed by member states according fixed annual subscriptions, the ISF depends solely on voluntary donations by member states and eventually private sources and Saudi Arabia usually contributes the largest part.

The ISF also intends to embark on a large scale fund-raising campaign during the coming month of Ramadan during which Muslims fast and give alms to the poor or subsidize philanthropic activities of various kinds (July 1981). The fund will seek the help of the member states information media for the purpose and already requested that a prominent personality be designated in each member state to collect donations on behalf of the fund.

CSO: 4820

NEW AMBASSADOR APPOINTED TO BULGARIA

Kabul KABUL NEW TIMES in English 5 Feb 81 p 1

[Text] **KABUL**, Feb. 5, (Bakhtar).— The Information Department of the Ministry of Foreign Affairs reported that the agreement to the appointment of Emtiaz Hassan, as ambassador of the Democratic Republic of Afghanistan to Sofia, which had been requested earlier from the government of the People's Republic of Bulgaria, has been received recently.

Following is a short biography of Emtiaz Hassan, member of the Central Committee of People's Democratic Party of Afghanistan, member of Revolutionary Council of the Democratic Republic of Afghanistan and DRA ambassador—designate to Sofia.

Emtiaz Hassan was born in an intellectual working family in 1944. He graduated from Isteqlal high school in 1968 and obtained his B.S. from the College of Science, Kabul University in 1973. Prior to the founding congress he maintained con-

tacts with the comrades. He became a party member at the time the congress was established in 1965.

Emtiaz Hassan completed his military service in 1973 and started to work as an official in the Ministry of Water and Power in 1974. He was imprisoned in 1969 for political activities in the Kabul University and for his connection with the People's Democratic Party of Afghanistan. He was a founding member of the constituent meeting of the Kabul University Students Union, member of the city committee, Kabul, and member of the provincial committee of Kabul in 1972, 1973 and 1975 respectively.

In 1978, after the victory of Saur Revolution, he served as member of Kabul Provincial Committee in the Party and as president of Water and Soil Survey Department, Ministry of Water and Power. He was dismissed after four months and was in hiding for one and a half year—1978—79 and took active part in the victory of the second phase of Saur Revolution.

After the new phase of the revolution, December 27, 1979 (Jaddi 6), he was elected as full member of the Party Central Committee and member of Revolutionary Council of the Democratic Republic of Afghanistan in the first Plenum of the Central Committee and served as vice chairman of the defense and justice division of the Central Committee of People's Democratic Party of Afghanistan.

In addition to Pashto and Dari he speaks French.

Emtiaz Hassan is married and has four children.

RECENT ECONOMIC GAINS REPORTED

Greater Output of Medicines

Kabul KABUL NEW TIMES in English 5 Feb 81 p 3

**[Text]** At present the Hoechst joint stock company of Afghanistan, HAAG, produces 88 types of medicines in 129 forms of tablets, capsules, syrups, drops, ampoules and pomades.

The varieties of medicines produced by this company cover a large area and are used for different medical purposes.

Making the above statement Mohammad Mehdi Popal the sales and public relations manager of HAAG in an interview with the reporter of the Kabul New Times said: In 1980 the annual production of the Hoechst Joint stock company reached 21,536,000 units. If divided by the working days the production amounts to an average of 95,000 units per Day.

Our present production, he added, is greater compared with the past years. In fact the production of the company has reached the highest level this year since the company went into operation. Several years ago.

As the production of the company has gone up our sales have naturally increased compared with the past.

In answer to another question put by the reporter of the Kabul New Times, Sales Manager Popala said:

51 percent of the capital of the company belongs to the Afghan individuals, national traders and DRA state organisations.

The remaining 49% of the capital is owned by German Hoechst company.

The primary capital of HAAG was 30 million afghanis which gradually increased by three folds showing the expansion of the activity of the company to meet the need of the public.

Work on construction of the building of the HAAG factory was completed this year. The factory was officially opened and started production in the first half of current Afghan year. Sales of the factory began in the month of June. At present a total number of 270 employ-

ees and workers are busy working in this company.

Asked where they get their needed raw material and what assistance they receive and from where the sales manager of HAAG said: The Hoechst Afghanistan, AG has always been trying to use locally produced raw mater-

ials as far as possible. For instance, the company purchases and uses talc obtained from the Mamak-hail and Alchin Talc Mine. Of course we import machinery and equipment used for processing purposes.

Talc, he said, is used in the composition of various kinds of powders and cosmetics.

The company purchases the packing materials such as small plastic bottles, cartons etc. from domestic markets. The factory of the company makes the large plastic bottles needed.

Likewise, the Hoechst Afghanistan, AG, buys its needed sugar from the Government Monopolies Department. The materials used in the making of

different varieties of medicines will have to be imported because they are not locally available.

As a manufacturing and producing unit our company, he added, deals with the economic and social life of the country. It has close contact with the ministry of Public Health, State Planning Committee, Ministry of Mines and Industries, Ministry of Finance and Ministry of Commerce.

The local banks constitute our important collaborators because their services are vital in the functions and activities of the company. Likewise, he sa-

id, we have sincere liaison and cooperation with the Ibn-i-Cina Pharmaceutical Institute.

The company is planning to expand the factory and right now the issue is under debate and discussion by the Board of Directors of Hoechst Afghanistan, AG.

It is hoped in the future the company will be able to operate on a larger scale and further serve the people of Afghanistan who are striving to build their new life.

#### Increased Customs Revenues

Kabul KABUL NEW TIMES in English 9 Feb 81 p 4

**[Text]** KABUL, Feb. 9. (Bakhtar).— There has been an increase of some 15 per cent in the revenues of Kabul Custom House during nine months this year compared to corresponding period the previous year.

A large number of lorries carrying variety of goods are reaching daily to the Kabul Custom House from country's ports.

According to Bakhtar report at present ample amount of consumers goods such as edible oil, tea, textiles, milk, stationaries, construction materials etc. are stored at the Kabul Custom House which will be supplied to the centre and provinces.

Similarly, everyday a large amount of exportable goods such as dry fruits, hides, carpets are exported through the Kabul Custom House.

The President of Kabul Custom House said the area of Kabul Custom House is planned to be enlarged in the future and an additional two new hangars will be built to serve the customers with 12 others already built there to preserve the goods.

New facilities will also be provided, he added.

He said at present more than 600 workers, officials, wage earners and employees are engaged working at the Kabul Custom House. Modern facilities are available at the Custom House to preserve the goods against any calamities including fire.

In addition to export-import goods the Kabul Custom House also keeps the smuggled goods which are auctioned after due legal process.

He said considerable increase is recorded in the volume of export-import goods, handled through the Kabul Custom House. He said the national and patriotic traders confidently carry on their export-import business following the new phase of the Saur Revolution. He said the volume of exports is increasing compared to imports, because some difficulties with which national traders were faced earlier are now removed.

## Two More Planes for Domestic Flights

Kabul KABUL NEW TIMES in English 9 Feb 81 p 1

[Text] **KABUL, Feb. 8, (Bakhtar).**— Two new Antonov-24 passenger planes, belonging to Bakhtar Afghan Airlines, were put into service on domestic air routes in a ceremony yesterday.

The planes, purchased by Bakhtar Afghan Airlines from the Union of Soviet Socialist Republics, after reaching Kabul were delivered yesterday to the concerned Afghan authorities. The planes went into service after a trial flight.

Prior to commencement of the flight of the new planes, Sher Jan Mazdoor, minister of transport and tourism, in a speech at the ceremony held on the occasion at the Kabul International Airport said: With operation of two new planes within the Bakhtar Afghan Airlines, not only the difficulties felt in air transportation in the country will be removed, the economic pressure which was borne by Bakhtar Afghan Airlines will also be decreased and even eliminated. The government paid Afs. 70 million annually to the Bakhtar Afghan Airlines to subsidy its operation as part of assistance to the countrymen.

The function was also addressed by Kustov, Soviet deputy economic counsellor.

The ceremony was attended by Abdul Wakil, minister of finance, Dr. Neyaz Mohammad Momand, member of PDPA CC and Head of PDPA CC Economic Division, Dr. Mehrabuddin Paktiawal, first deputy chairman of

the State Planning Committee, departmental heads and a number of employees and workers of the Ministry of Transport and Tourism.

Following the ceremony the invitees at the function boarded the planes for a test flight.

The President of the Bakhtar Afghan Airlines said the new Antonov-24 planes can carry 52 passengers with 500 kms per hour flying speed.

The planes can fly under any climatic conditions.

According to another report the invitees attended a reception which was given on the occasion by Bakhtar Afghan Airlines at the Kabul International Airport restaurant.

## Fertilizer from England

Kabul KABUL NEW TIMES in English 7 Feb 81 p 1

[Text] **KABUL**, Feb. 7, (Bakhtar).— An Afghan delegation, led by President of Afghan Chemical Fertiliser, who had gone to England for talks and concluding a contract on export of fertiliser to that country, returned home recently.

The head of the Afghan delegation told Bakhtar reporter, that during the visit the delegation exchanged views with the concerned authorities of Trans-continental Fertiliser Company, London, on export of 50,000 tons urea fertiliser produced by Mazar-e-Sharif Fertiliser and Power Plant and signed a contract for ten million dollars worth of fertiliser with the above company.

Signing of the contract is a considerable figure in the export of the country, he added.

CSO: 4920

'EL MOUDJAHID' REPORTS IRANIAN-U.S. HOSTAGES AGREEMENT

Initializing of Final Agreement

Algiers EL MOUDJAHID in French 20 Jan 81 p 1

[Text] The so-called "hostage" affair reached its climax yesterday morning with the conclusion of the agreement signalling the settlement of the Iranian-American dispute. This international diplomatic event occurred at 0830 GMT yesterday morning at the Ministry of Foreign Affairs in Algiers when the final agreement was initialed by Warren Christopher for the purpose of a definitive settlement of the serious Iranian-American dispute stemming principally from the detention in Iran since 4 November 1979 of 52 Americans from the U.S. Embassy in Tehran.

Warren Christopher, U.S. deputy secretary of state, had received from his government full powers to sign any document leading to the release of the detainees. The initializing ceremony took place in the presence of Mohamed Ben Yahia, member of the [FLN] Central Committee, Algerian minister of foreign affairs, who delivered a short speech on the occasion.

The official text of the agreement between the United States and the Islamic Republic of Iran was made public at 1020 GMT at the Aurassi Hotel by a spokesman of the Algerian Foreign Ministry.

Three documents were signed: a general declaration of the Democratic and Popular Republic of Algeria, a declaration of the Algerian Republic on the settlement of the dispute, and a declaration of procedure. The contents of these documents received the approval of the United States and Iran.

Thus, following the agreement between Iran and the United States, the Government of the Democratic and Popular Republic of Algeria issued two declarations relating to "General Principles" and to the settlement of the dispute by the American and Iranian Governments.

The principal points of the first document specify that:

--The United States will restore as far as possible Iran's financial position to what it was prior to 14 November 1979.

--The United States pledges that its policy consists and will consist of no longer intervening, directly or indirectly, politically or militarily, in the internal affairs of Iran.

--Washington pledges to put an end [mettre fin] to all legal actions before American courts instituted by U.S. citizens or institutions, and to rescind [annuler] all seizures, liens, and judgments concerning them.

The U.S. Government also pledges to forbid [interdire] all subsequent legal actions based on these claims and to put an end to them by means of irrevocable arbitration.

--The United States pledges to freeze all transfers of the shah's assets abroad. This freeze is to be maintained until the completion of the settlement of the Iranian-American dispute.

--The two parties choose the Central Bank of Algeria [BCA] as the depository of the escrow account and the security fund. The United States will order the transfer to the BCA of all gold bullion belonging to Iran now in the custody of the Federal Reserve Bank of New York as well as of all other assets or their equivalent in cash.

--"The United States will revoke all commercial sanctions taken against Iran since 4 November 1979." As soon as Algeria gives its attestation, all claims of the United States now pending against Iran before the International Court of Justice will be withdrawn.

The declaration of the Government of the Democratic and Popular Republic of Algeria relating to the settlement of the dispute by the American and Iranian Governments specifies that an international arbitration tribunal will be set up and makes clear its modalities of operation.

In Washington, President-elect Ronald Reagan, who assumes official power today, yesterday formed a crisis "joint task force" comprised of experts from the outgoing administration and from his new cabinet to handle the matter of detainees, James Brady, prospective White House spokesman, announced.

This task force will be headed by Gen Alexander Haig, the new U.S. secretary of state.

Mr Brady noted that Presidents Reagan and Carter had held a telephone conversation yesterday morning on this subject.

The future White House spokesman also indicated that Warren Christopher, deputy secretary of state, might remain in Algiers until the release of the 52 American citizens.

Around the world the reaction was one of relief at the end of the Iranian-American crisis and the prospect of the settlement of a dispute which not only made relations between Iran and the United States tense, but also weighed equally on the international relations surveyed yesterday.

There is no longer any obstacle, then, to the release of the American detainees, whom Algerian physicians were able to examine yesterday.

Their departure from Iran was to take place yesterday evening under unprecedented preparations in terms of security, health, and the mass media. The latter provided exceptional coverage of the event and the negotiations preceding it.

The departure of two Algerian planes slated to transport the American personnel from Tehran was in the focus of attention of the entire international press yesterday.

#### Details of Ceremony

Algiers EL MOUDJAHID in French 20 Jan 81 pp 2,3

[Text] Yesterday at 0830 GMT the provisions of the final agreement were initiated at the Algerian Ministry of Foreign Affairs by Warren Christopher, U.S. deputy secretary of state. The implementation of this agreement should make it possible to settle the Iranian-American dispute stemming from the detention by Islamic students since 4 November 1979 of the 52 Americans from the U.S. Embassy in Tehran.

The official documents constituted by the agreement between the United States and the Islamic Republic of Iran were made public at 1020 GMT in the conference hall of the Aurassi Hotel in Algiers.

The signing ceremony took place in the presence of Mohamed Ben Yahia, member of the [FLN] Central Committee, Algerian minister of foreign affairs, who submitted to the U.S. deputy secretary of state the text of the points of agreement.

Mohamed Ben Yahia declared:

"I do not believe it is necessary to recall the enormous effort leading to these results. We have spent the last 48 hours without sleep to achieve this happy result.

"The conclusions which the Islamic Republic of Iran and the United States reached are mentioned in the declarations of the Democratic and Popular Republic of Algeria.

"This morning the State Department transmitted to our embassy in Washington the documents signed by Mr Carter, president of the United States, and Mr Muskie, secretary of state, giving you full power to initial these declarations.

"The notification of the agreement of the U.S. President to the terms of the declarations will be confirmed following this ceremony at our embassy in the United States.

"I now invite you to initial these declarations."

Warren Christopher responded by thanking the Algerian people and leaders for their contribution to the process governing the release of the American detainees.

Mohamed Ben Yahia and Warren Christopher then shook hands.

Before the signing ceremony a meeting took place at the Ministry of Foreign Affairs between Mohamed Ben Yahia and Warren Christopher.

The documents of the agreement were preceded by a declaration of the Algerian Government taking cognizance of and introducing the agreement.

Earlier, the U.S. and Iranian authorities had mandated their respective negotiators to sign any final document for conclusion of the crisis.

Thus, at 0355 GMT the State Department transmitted to the Algerian charge d'affaires in Washington a letter signed by President Jimmy Carter and Secretary of State Edmund Muskie conferring full powers on Warren Christopher to initial these documents.

During the morning the Algerian Embassy in Tehran received two decrees empowering Behzad Nabavi, Iranian minister of state for executive affairs, to commit the Islamic Republic of Iran on the issue of the 52 detained Americans as well as a document attesting to Iran's agreement to the declarations issued by the Algerian Government.

This document was signed by Mr Nabavi.

The ceremony of initialing the declarations of the Algerian Government and of remitting all these documents took place yesterday morning in Tehran under the direction of Behzad Nabavi in the offices of his ministry and in the presence of the members of the Algerian delegation charged with the role of intermediary between Iran and the United States of America.

Let us note that three documents were signed: the first, 12 pages long; the second 7 pages long; and the third, 3 pages long, consisting of the following:

- A general declaration of the Democratic and Popular Republic of Algeria.
- A declaration of the Algerian Republic on the settlement of the dispute.
- A declaration on procedure.

The declaration of the Algerian Government concerns pledges based on general principles and on three principal points: the nonintervention militarily or politically by the United States in Iranian affairs; the restitution of Iranian assets; and the quashing [reglement] of American claims against Iranian blocked or frozen assets and funds.

The declaration also concerns points relating to cancellation of the American sanctions and legal actions against Iran, modalities for the return of the assets of the family of the former shah, as well as a point relating to the settlement of litigations.

The agreement between the United States and Iran came at the conclusion of laborious negotiations held between the two capitals through Algeria's intermediary, whose "discretion and efficiency" were unanimously underscored by a large number of observers.

Also, in various capitals homage has been paid to the role of the Algerian diplomatic service, while in the United States President Carter "publicly expressed his thanks to Algeria," congratulating it "for the arbitration effort accomplished scrupulously and fairly by the Algerian negotiators."

#### Declaration on Procedure

Algiers EL MOUDJAHID in French 20 Jan 81 p 2

[Text] Algiers (APS)--Here is the integral text of the declaration of the Algerian Government following the agreement reached between Iran and the United States:

The Government of the Democratic and Popular Republic of Algeria, having been asked by the governments of the Islamic Republic of Iran and the United States of America to serve as intermediary in seeking a mutually acceptable resolution of the crisis in their relations stemming from the detention of the 52 American citizens held in Iran, consulted the two governments at length regarding the pledges which each government was prepared to make in order to solve the crisis within the framework of the four points enunciated in the resolution of 2 November 1980 by Iran's Islamic consultative assembly. On the basis of the formal agreements received from Iran and the United States, the Government of the Democratic and Popular Republic of Algeria now declares that the following interdependent commitments have been made by the two governments.

General principles:

The commitments made in the present declaration are based on the following general principles:

A. Within the framework and in application of the provisions of the two declarations of the Government of the Democratic and Popular Republic of Algeria, the United States will restore as far as possible Iran's financial position to what it was prior to 14 November 1979. In this context the United States pledges to guarantee the mobility and free transfer of all Iranian assets placed under its control as stipulated by paragraphs 4 through 9, inclusive.

B. The goal of the two parties within the framework and in application of the provisions of the two declarations of the Government of the Democratic and Popular Republic of Algeria consists in putting an end to all litigations arising between the government of either party and the citizens of the other party and in bringing about the settlement and terminating all claims by means of binding arbitration. To this end the United States agrees to put an end to all legal actions before American courts involving claims by U.S. citizens and institutions against Iran and its state enterprises, to nullify all attachments and judgments handed down against them, to prohibit all subsequent legal actions based on such claims, and to terminate these claims by binding arbitration.

Point 1: Nonintervention in Iranian Affairs

1. The United States pledges that its policy consists and will consist henceforth of not intervening, directly or indirectly, politically or militarily, in the internal affairs of Iran.

Points 2 and 3: Return of Iranian assets and settlement of American claims

2. Iran and the United States (referred to as "the parties" hereafter) will immediately choose a mutually acceptable central bank (referred to as "the central bank" hereafter) to act in conformity with the instructions of the Algerian Government and Central Bank (referred to as the "Central Bank of Algeria" hereafter) as depository of the escrow account and the security fund as provided below and will shortly conclude depository agreements with the central bank in conformity with the provisions of the present declaration. All these funds will be deposited in the name of the Central Bank of Algeria.

Some procedures for the implementation of the obligations enunciated in the present declaration and in the declaration of the RADP [Democratic and Popular Republic of Algeria] concerning the settlement of the dispute by the Government of the United States and the Government of the Islamic Republic of Iran(hereafter designated the dispute settlement agreement) are enunciated separately in certain undertakings of the Government of the United States and the Government of the Islamic Republic of Iran relating to the declaration of the RADP.

3. The depository agreements will stipulate that when the Central Bank of Algeria receives from the Algerian Government attestation that the 52 American citizens have left Iran safe and sound, the Central Bank of Algeria will then give the central bank directives to transfer immediately to Iran all the funds or other assets deposited in the escrow account at the central bank in implementation of the present declaration, it being understood that at any time before such certification is issued by the Government of Algeria, each of the two parties, Iran and the United States, will have the right to rescind its commitments under this declaration upon 72-hour notice. If the United States gives such notice and if the certification specified above is issued by the Algerian Government during the 72-hour notice period, the Central Bank of Algeria will then instruct the central bank to transfer these funds and assets to Iran. If the 72-hour notice period given by the United States should expire without such certification being issued or if the notice is given by Iran, the Central Bank of Algeria will then instruct the central bank to return all the funds and assets to the United States and thereafter the commitments given in the present declaration will become null and void.

#### Assets in the Federal Reserve Bank

4. With the execution of the agreements on the escrow account with the central bank, the United States will order the transfer to the central bank of all gold bullion belonging to Iran in the custody of the Federal Reserve Bank of New York, as well as all other Iranian assets (or their equivalent in cash) in the custody of the Federal Reserve Bank of New York, and they will be held by the central bank in an escrow account until such time as their transfer or return is required under the terms of paragraph 3 above.

#### Assets in Foreign Branches of American banks

5. With the conclusion of the required agreements on the escrow account with the central bank, the United States will order the transfer to the central bank for the account of the Central Bank of Algeria of all Iranian deposits and securities registered in overseas branches of American banks on or after 14 November 1979 with interest due thereon through 31 December 1980 so that they may be held in escrow by the central bank for the account of the Central Bank of Algeria until their transfer or return is required in accordance with the provisions of paragraph 3 of the present declaration.

#### Assets in Branches of American Banks

6. With the approval by Iran and the United States of the present declaration and of the dispute settlement agreement attached thereto, and with the conclusion of the arrangements with the central bank establishing the interest-bearing security account stipulated in said agreement and in paragraph 7 below, which arrangements must be

completed within 30 days from the date of the present declaration, the United States will order the transfer of all Iranian deposits and securities held in American banks in the United States and the interest accruing thereto, to be placed in escrow until such time as their transfer or return is required under the terms of paragraph 3.

7. As the funds are received by the central bank in accordance with the provisions of paragraph 6 above, the Central Bank of Algeria will issue instructions to the central bank with a view to the following:

(1) The transfer of half of these funds to Iran and (2) the placement of the other half in a special interest-bearing security account at the central bank until the balance of the account reaches \$1 billion. Once this amount is reached, the Central Bank of Algeria will direct that all funds received in accordance with the provisions of paragraph 6 be transferred to Iran.

All funds deposited in the security account are exclusively intended to underwrite the payment of and settle the claims against Iran in accordance with the dispute settlement agreement. The central bank must notify Iran whenever the balance of the security account drops below U.S. \$500 million, and Iran must promptly make sufficient new deposits to maintain a minimum balance of U.S. \$500 million in the account. The account must be maintained in this manner until the president of the arbitration tribunal, established according to the dispute settlement agreement, certifies to the Central Bank of Algeria that all arbitration decisions made regarding Iran have been satisfied according to the dispute settlement agreement, any balance remaining in the special account to be transferred then to Iran.

#### Other Assets in the United States and Abroad

8. With the agreement by Iran and the United States to the present declaration as well as to the attached dispute settlement agreement, and with the conclusion of arrangements to establish the security account which must be completed within 30 days from the date of the present declaration, the United States will order the transfer to the central bank of all Iranian financial assets (that is, funds or securities) held in the United States and abroad, except for those assets mentioned in paragraphs 5 and 6 above, to be held in an escrow account by the central bank until their transfer or return according to the provisions of paragraph 3 above.

9. With the agreement by Iran and the United States to the present declaration and the attached dispute settlement agreement and as soon as the Algerian Government has issued the attestation described in paragraph 3 above, the United States will take every measure, subject to the provisions of American law in effect before 14 November 1979, to transfer to Iran all Iranian assets held in the United States and abroad which are not covered by the preceding paragraphs.

#### Nullification of sanctions and claims

10. As soon as the Algerian Government has issued the written attestation described in paragraph 3 above, the United States will revoke all commercial sanctions taken against Iran from 4 November 1979 up to the present.

11. As soon as the Algerian Government has issued the written attestation described in paragraph 3 above, the United States will promptly withdraw all claims now pending

against Iran before the International Court of Justice and subsequently will forbid and prevent [interdont et impecheront] the lodging against Iran of any claims, pending or in prospect, on the part of the United States or a citizen of the United States stemming from events prior to the date of the present declaration and relative to:

- A. The taking of the 52 American citizens on 4 November 1979;
- B. Their subsequent detention;
- C. Damages to United States property or that belonging to its citizens in the U.S. Embassy compound in Tehran after 3 November 1979; or
- D. Harm caused to U.S. citizens or their property because of popular movements during the Islamic revolution in Iran which did not constitute acts of the Iranian Government. The United States will also prohibit and prevent the lodging against Iran before U.S. courts of any claim, pending or in prospect, brought by individuals who are not American citizens, stemming from the events stipulated in the preceding statement.

**Point 4: Return of the Assets of the Former Shah's Family**

12. As soon as the Algerian Government has issued the attestation described in paragraph 3 above, the United States will freeze the property and assets located in the United States under the control of the heirs of the former shah or of one of his close relatives who may be a defendant in a legal suit brought in the United States by Iran with a view to recovering such property and assets as belong to Iran and will forbid their transfer to any defendant of this type, including the heirs of the former shah. The freeze order will remain in effect until the final adjudication of the legal action. Any violation of the freeze order will be subject to the civil and criminal sanctions prescribed by U.S. law.
13. As soon as the Algerian Government has issued the attestation described in paragraph 3 above, the United States will order any individual under the jurisdiction of the United States to report to the U.S. Treasury within 30 days for transmission to Iran of any information held by him as of 3 November 1979 and as of the date of said order regarding the property and assets mentioned in paragraph 12. Any infraction will be subject to the civil and criminal sanctions prescribed by U.S. law.
14. As soon as the Algerian Government has issued the attestation described in paragraph 3 above, the United States will notify all appropriate American courts that in any action of the type described in paragraph 12 above, Iran's claims should not be considered to be barred either by the principles of sovereign immunity or by the doctrine of discretionary acts of the state and that Iranian decrees and judgments relative to such assets should be executed by such courts according to U.S. law.
15. For any decision of an American court requesting the transfer of property or assets to Iran, the United States guarantees by these presents the execution of the final judgment to the extent that these properties and assets are located on the territory of the United States.
16. If litigation should occur between the parties regarding a determination of whether the United States has fulfilled the obligations placed on it by paragraphs

12 through 15 inclusive, Iran may submit the dispute to binding arbitration through the tribunal established by and in implementation of the provisions of the dispute settlement agreement. If the tribunal should decide that Iran has suffered a loss because of the nonexecution of such an obligation by the United States, it can adjudicate in favor of Iran, and this decision is executory before the courts of any country according to its laws.

#### Settlement of Litigations

17. If any other litigation should occur between the parties regarding the interpretation or execution of any provision of the present declaration, either party may refer it to binding arbitration by the tribunal established according to the provisions of the dispute settlement agreement. Any decision of the latter regarding any litigation, including any award of damages and interest on account of losses due to the violation of the present declaration or of the dispute settlement agreement, may be executed by the party winning the case before the courts of any country according to its laws.

#### Declaration on Settlement

Algiers EL MOUDJAHID in French 20 Jan 81 p 3

[Text] Here is the integral text of the declaration of the Government of the Democratic and Popular Republic of Algeria concerning the settlement of the dispute by the United States Government and the Government of the Islamic Republic of Iran:

On the basis of the official notification of agreement received from the Government of the Islamic Republic of Iran and the Government of the United States of America, the Government of the Democratic and Popular Republic of Algeria declares by these presents that Iran and the United States have agreed on the following provisions:

#### Article I

Iran and the United States will promote the settlement of the dispute described in Article 2 by the parties directly concerned. Any claims not settled within 6 months from the entry into force of the present agreement will be referred to binding arbitration by a third party in accordance with the provisions of the present agreement. The 6-months' deadline mentioned above may be extended once by 3 months at the request of either party.

#### Article II

1. An international arbitration tribunal (the Iranian-United States dispute tribunal) is constituted by these presents and its purpose is to adjudicate the claims of American citizens against Iran and the claims of Iranian citizens against the United States, as well as any counterclaims deriving from the contract, transaction, or event being the subject of the claim of said citizen, if such claims and counterclaims are not settled at the date of the present agreement and if these claims originate from debts, contracts, expropriations, or other measures affecting property rights, except for claims described in paragraph 11 of the declaration of the Algerian Government of 19 January 1981 and claims deriving from measures taken by the United States in

response to the conduct described in said paragraph, excluding claims presented within the framework of a valid contract between the parties expressly stipulating that any litigation thereunder will fall under the exclusive jurisdiction of the competent Iranian courts in response to the position of the Majlis.

2. The tribunal is also competent to handle official claims of the United States and Iran against each other deriving from the contractual arrangements between them for the purchase and sale of goods and services.

3. The competence of the tribunal also extends, as specified by paragraphs 16 through 18 of the declaration of the Algerian Government of 19 January 1981, to any litigation concerning the interpretation or execution of any provision of the said declaration.

### Article III

1. The tribunal is to be composed of nine members, or more members in multiples of three according to what is agreeable to Iran and the United States for the good conduct of its work. Within 90 days after the entry into force of the present agreement, each government will appoint one-third of the members. Within 30 days after they are appointed, the members named will choose the remaining one-third by mutual agreement and will name one of the latter as president of the tribunal. Claims may be adjudicated by the full tribunal or by a panel of three members of the tribunal, according to the decision of the president. Each panel of this nature will be constituted by the president and will consist of one member named in conformity with each of the three methods mentioned above.

2. The members of the tribunal are to be designated, and the tribunal will conduct its work, in conformity with the rules of arbitration of the United Nations Commission on International Trade Law [UNCITRAL] except to the extent that the parties or the tribunal modify them so as insure the execution of the present agreement. The rules of UNCITRAL governing the naming of the members of the three-member tribunals shall apply "mutatis mutandis" to the constitution of the tribunal.

3. The claims of citizens of the United States and Iran which are covered by the present agreement are to be presented to the tribunal by the claimants themselves or, in the case of claims for which the amount is less than \$250,000, by the government of said citizen.

4. No claim may be lodged before the tribunal more than a year following the entry into force of the present agreement or more than 6 months following the date of the designation of the president, whichever is later. These deadlines do not apply to the procedures covered by paragraphs 16 and 17 of the Algerian Government's declaration of 19 January 1981.

### Article IV

1. All decisions and awards of the tribunal are final and binding.

2. As prescribed in paragraph 7 of the Algerian Government's declaration of 19 January 1981, the president of the tribunal shall certify when all the arbitration decisions have been satisfied in conformity with the present agreement.

3. Any decision of the tribunal against either of the two governments is executory against said government before the courts of any country according to its laws.

#### Article V

The tribunal is to settle all cases on the basis of respect for the law and in application of the principles of commercial and international law that it deems applicable, taking into account the pertinent practices of the profession, contractual provisions, and changing circumstances.

#### Article VI

1. The seat of the tribunal is to be at The Hague, Kingdom of the Netherlands, or at any other location agreeable to Iran and the United States.

2. Each of the governments of the present agreement shall designate an agent to the seat of the tribunal to represent it there and to receive the notices or other communications addressed to it or to its citizens, agencies, instrumentalities, or organizations concerning matters taken up by the tribunal.

3. The expenses of the tribunal are to be borne equally by the two governments.

4. Any question concerning the interpretation or application of the present agreement is to be decided by the tribunal at the request of Iran or the United States.

#### Article VII

Within the framework of the present agreement:

1. A "citizen" of Iran or of the United States, depending on the case, means

A. An individual who is a citizen of Iran or the United States, and

B. A corporation or any other legal entity established under the laws of Iran or the United States, any of its states or territories, the District of Columbia, or of the Free Commonwealth of Puerto Rico, on condition that the individuals who are citizens of said country and taken collectively hold directly or indirectly an interest amounting to 50 percent or more of the stock in such corporation or entity.

2. "Claims of citizens" of Iran or the United States, depending on the case, signifies any claims that the citizens of the said state lodge uninterruptedly from the original date of the claim until the date of the entry into force of the present agreement, including claims lodged indirectly by such citizens by virtue of the fact that they have brought actions or have any other proprietary interests in the entities, on condition that the interests of such citizens taken collectively should have been sufficient at the time the claim was lodged to insure for them control of the corporation or other legal entity and additionally on condition that the corporation or entity should not itself be qualified to bring a claim in conformity with the provisions of the present agreement.

Claims referred to the arbitration tribunal will be considered as being excluded from the jurisdiction of the courts of Iran, the United States, or any other court.

3. The designation "Iran" means the Government of Iran, any political subdivision of Iran, and any agency, instrumentality or entity falling under the jurisdiction of the Government of Iran or of one of its political subdivisions.
4. The designation "United States" means the Government of the United States, any political subdivision of the United States, and any agency, instrumentality or entity falling under the jurisdiction of the Government of the United States or of one of its political subdivisions.

## Article VII

The present agreement enters into force when the Algerian Government has received from both Iran and the United States notification of their adherence to the agreement.

### Hostage Release Report

Algiers EL MOUDJAHID in French 20 Jan 81 p 3

[Text] After 443 days of detention and several weeks of marathon negotiations, the so-called hostages affair reached a conclusion yesterday. The 52 American citizens went to Tehran airport yesterday and they took their seats on board two "Air Algerie" planes.

The countdown began yesterday morning in Algiers when Warren Christopher, U.S. deputy secretary of state, signed an agreement drawn up by the Algerian intermediaries. From then on events accelerated in Algiers, Tehran, Washington, and Frankfurt, where in all likelihood the Americans will be taken via Ankara and Algiers, a 9-hour trip.

The news of the arrival of the 52 American citizens at Tehran airport came from an airport official who was unable to give details on the hour of their departure. Earlier, various rumors had circulated.

At Tehran's Mehrabad Airport the police and Revolutionary Guards formed a security ring around the two Algerian aircraft. In the capital itself the event did not generate special demonstrations.

The authorities refused to provide any indication concerning the movements of the two planes which are scheduled to take the hostages out of Iran. A press conference with the captives was cancelled and the security reinforcements left the airport in mid-afternoon. According to some sources, the two planes may have been directed to a neighboring runway in the military airport which adjoins the civilian airport.

In the afternoon, Behzad Nabavi, the principal Iranian negotiator, stated on Tehran radio that "the 52 American citizens will be released only after Iran has received an official Algerian communication acknowledging the deposit in the Bank of England of all the sums agreed to in the accord."

A last-minute problem concerning some points of the banking transaction could indeed delay the departure of the 52 Americans, well-informed diplomatic circles in Tehran indicated.

Officials of Iran's central bank met yesterday afternoon to settle the matter still in suspense, which does not involve the total of the amount transferred but rather the technical details of the opening of a bank account, the same source said.

This is the same reason given yesterday afternoon in Washington. The implementation of the financial aspects of the Algiers agreement, notably, the opening in a third country of an escrow account in the name of the Algerian Government, is "an extremely delicate and complex process," the U.S. State Department spokesman noted. In this connection, John Trattner stressed that only procedural difficulties were involved and not "major problems."

An official Iranian source confirmed that the 52 captives had undergone a medical examination by six Algerian physicians. According to Mr Nabavi, this examination was intended to "confirm the good health of the detainees." The American ABC television network yesterday carried a film clip showing the detainees in the process of being examined by the Algerian physicians. This film was shot by an Iranian television crew a few hours before its retransmission for a few minutes by American television.

#### Late Item

As we were going to press, a cable from REUTER news agency datelined Washington announced that the release of the American detainees was delayed on account of a disagreement between Washington and Tehran concerning the documents fixing the modalities of transfer of Iranian assets, U.S. Secretary of State Edmund Muskie said this morning shortly before 0100 GMT.

The problem, however, seems to be surmountable and could be settled today, Tuesday, before noon, when President Carter's mandate ends.

The White House spokesman said that President Reagan will honor the pledges made by President Carter if the clauses of the agreement are fulfilled before that deadline.

#### President Carter's Tribute

Algiers EL MOUDJAHID in French 20 Jan 81 p 1

[Text] Washington (APS)--President Jimmy Carter of the United States made a televised speech yesterday morning to announce to the American people the conclusion of the agreement reached in Algiers between Tehran and Washington on the issue of the American detainees in Iran.

In that speech President Carter made a particular point of thanking Algeria for the role it played in the process of the Iranian-American negotiations.

"I especially want to express publicly my thanks," he said, "as I have already done in private to the Algerians, to their president, their minister of foreign affairs, Ben Yahia, and the team of three negotiators who accomplished such superb arbitration, scrupulously and fairly, between us and the Iranian leaders."

In that speech President Carter confirmed to the American people the conclusion of the American-Iranian agreement. "We have now concluded an agreement.... The final

document was signed in Algiers," President Carter said. He added that this agreement was reached on the substance as well as the procedure of arbitration between the United States and Iran.

### Hostages Arrival in Algiers

Algiers EL MOUDJAHID in French 21 Jan 81 p 1

[Text] The Algiers agreement on the Iranian-American dispute went into effect yesterday evening, only one day after its conclusion.

Indeed, after 444 days of detention the 52 American citizens were released last night. The first of the two Algerian planes chartered for their transport out of Iranian territory left Tehran for Algiers at 1724 QMT, that is, 24 minutes after Ronald Reagan was sworn in as the 40th president of the United States in Washington.

The second aircraft took off a few minutes later.

In implementation of the agreements contained in the Algerian Government declaration, the Algerian Government gave official notification that the 52 American citizens left Iran safe and sound. Mohamed Ben Yahia received Warren Christopher, former U.S. deputy secretary of state, charged by President Reagan with the problem of the detainees, and U.S. Ambassador Ulrich Haynes, both of whom he notified officially that the 52 American citizens had left Iran safe and sound.

The Algerian minister of foreign affairs immediately received Arab Asghar, chargé d'affaires of the Islamic Republic of Iran, to give him the same message.

At the same moment, the Algerian ambassador in Tehran and the Algerian chargé d'affaires in Washington communicated the news to the Iranian and American Governments.

Tehran and Washington thereupon immediately confirmed the event, which took place after a final difficulty was settled. It was indeed yesterday morning that the American chief executive ordered the transfer of Iranian assets. These funds had been deposited in a special account at the Bank of England.

Thus, up to the last minute there was uncertainty over the implementation of the agreement resulting from the long and laborious negotiations between Iran and the United States through the intermediary of Algeria, whose eminently positive role has been emphasized by the entire world press.

At Houari Boumediene Airport a large security operation was put in place.

At the conclusion of the welcoming ceremony planned for the occasion, the American citizens were officially handed over by Algerian officials to Warren Christopher, former U.S. deputy secretary of state, signatory of the points of the Algiers agreement.

Two air force C-9 "Nightale" planes scheduled to take the American citizens to the Wiesbaden base near Frankfurt in the Federal Republic of Germany arrived at Algiers airport at 2140 with a medical team on board.

Warren Christopher, whose special plane, a Boeing 707, was parked in front of the VIP lounge of the airport, left Algiers at the same time as the 52 Americans.

Algerian television, which had eight cameras, two video trucks, and several teams of reporters on the scene, relayed the event directly and through World-vision.

Meanwhile, more than 200 foreign press correspondents, a very large portion of whom were American newsmen, "covered" the event, which was certainly followed with much emotion by the American public.

In the United States, the announcement of the release of the detainees resulted in an explosion of joy.

#### Ben Yahia Address

Algiers EL MOUDJAHID in French 21 Jan 81 p 1

[Text] At 0110 GMT the "Air Algieri" national company plane carrying the 52 American citizens landed at Houari Boumediene International Airport. Visibly relaxed and smiling, they were taken immediately to the VIP lounge where Mohamed Ben Yahia, Algerian minister of foreign affairs, addressed them. He recalled the mediation role played by Algeria in bringing to a conclusion the crisis over which Iran and the United States had been divided since 4 November 1979.

"The Government of the Islamic Republic of Iran," Mohamed Ben Yahia said, "under the terms of the agreements contained in the two declarations of Algiers of 19 January 1981, invested us with a responsibility by handing over to us in Tehran the 52 American citizens who are in Algiers today.

"The Iranian request appeared to us as an act of confidence in the Algerian people, their revolution, and their leaders, and testifies to the lofty qualities of esteem and feelings of brotherhood existing between the Algerian people and the Iranian people.

"We accepted this responsibility with high awareness that it was burdensome and with the feeling of accomplishing a duty dictated to us by the exercise of our obligations at the international level.

"We are fulfilling it with the scruples demanded by such a lofty mission.

"In execution of the obligations entrusted to us by the Iranian Government, it is therefore my duty at this time to hand over your fellow-citizens to you Mr Christopher, who officially represent the American Government here."

After these remarks, our minister of foreign affairs officially handed over the 52 citizens to the representative of the American Government. On this occasion Warren Christopher stressed once again all the efforts exerted by Algeria for the happy resolution of this issue.

After an hour and 25 minutes in the VIP lounge, the 52 American citizens left Algiers airport for the base in Wiesbaden (in the FRG), where outgoing President Carter is scheduled to greet them.

It is superfluous to describe the emotion that could be read on the faces of the released detainees because it seemed entirely natural.

In describing this joy, the special APS correspondent who accompanied the American citizens on their entire trip from Tehran to Algiers wrote in this connection:

"Most of them showed their emotions on learning of the happy developments concerning them in the American-Iranian crisis." "It's a very good evening," one of them said [in English]. "Thanks," one of the two women said simply. She was conspicuously wearing a cross on her bosom. On his part Bruce Laingen, the U.S. charge d'affaires who had also been detained, with tears in his eyes embraced the two Algerian ambassadors whom he thanked for the role of emissary played by our country in the American-Iranian negotiations.

In Tehran, while the American citizens were boarding the plane one by one, the Iranian Revolutionary Guards who had escorted the detainees to the foot of the gangplank were shouting slogans in praise of the Iranian revolution.

At 0110 this morning, Algerian television viewers saw on their screens the arrival on board two "Air Algerie" Boeing-727's and the reception by Algerian officials--in the presence of the American negotiators involved in the talks relating to their release--of the 52 American citizens held for 444 days in Iran.

All measures were taken by the RTA [Algerian Radio and Television], which on this occasion received its baptism in the form of the first "scoop" of its career. A direct relay was beamed from Algiers to the United States and the rest of the world thanks to the use of one special van for the United States and another for other continents, as well as mobile video equipment.

It should be noted that a television crew was sent to Tehran to cover this major event.

#### Carter Message to Bendjedid

Algiers EL MOUDJAHID in French 21 Jan 81 p 1

[Text] Algiers (APS)--President Chadli Bendjedid, president of the republic, secretary general of the FLN Party, has received a message of thanks from the outgoing president of the United States, Jimmy Carter.

In the message President Carter noted "the immense debt of gratitude which the American people owe to you and your colleagues for the assistance granted without respite and with so much skill." No threat to the balance in international relations, no quarrel between nations these past few years has proved to be so complex and difficult to solve as this crisis, Mr Carter said.

"We certainly would not have been able to reach this agreement today if we had not received the assistance of your government. The United States will never forget it. We thank you deeply for the great assistance you have given to our efforts."

## Transfer of Iranian Assets

Algiers EL MOUDJAHID in French 21 Jan 81 p 3

[Text] The two Algerian planes transporting the 52 American citizens took off from Tehran Mehrabad Airport at 2054 local time, 1724 GMT.

The release of the 52 American citizens which took place last night was the final episode in an affair which, despite the agreement concluded on Monday in Algiers, was hectic from beginning to end. Indeed, it was only yesterday morning that President Jimmy Carter--who was shouldering the final hours of his mandate before the swearing-in of President-elect Ronald Reagan--ordered Mr William Miller, secretary of the treasury, to transfer the Iranian assets to the Federal Reserve Bank.

This decision initiated the process for the restitution of the frozen Iranian funds. Announcing the news, White House spokesman Jody Powell specified that the Iranian assets would be transferred to an escrow account opened with the Bank of England. "The next stage will be the signing for this account already signed by the United States and Iran, by representatives of the Federal Reserve Bank, the Bank of Algeria, and the Bank of England. All these officials are now in Algiers."

As soon as the transfer order was given, events were to speed up, accelerating the planned process. Thus, it was the turn of American Secretary of the Treasury William Miller, at about 0315 local time (0815 GMT), to direct the banks concerned to begin transferring Iranian assets frozen in the United States to the Federal Reserve Bank.

American President Jimmy Carter had indeed received through official channels the instructions sent by Tehran regarding the transfer of authority deemed "acceptable by the parties concerned."

Mr Miller's order announced by White House spokesman, Jody Powell constituted the first step in the transfer of assets to the escrow account opened in the name of the Central Bank of Algeria with the Bank of England.

According to the process described by Jody Powell, once the Iranian assets frozen in the United States are transferred to the Federal Reserve Bank, the agreement on the escrow account is to be signed in Algiers by representatives of the American Reserve Bank, the Central Bank of Algeria, and the Bank of England.

Simultaneously, President Jimmy Carter talked by telephone with Deputy Secretary of State Warren Christopher, head of the team of negotiators in Algiers, to ask him to arrange the signing ceremony. Mr Powell said that all the requisite individuals were in place.

Once the agreement on the escrow account was signed, the money on deposit at the American Reserve Bank began to be transferred into the escrow account opened at the Bank of England in the name of the Central Bank of Algeria.

Algeria was to certify that these various conditions were met. Iran in fact expected this process to lead to release of the 52 American citizens.

At 1045 President Jimmy Carter was informed that all the Iranian funds frozen in various American banks were now collected together in an account at the Federal Reserve Bank (the American central bank) in London.

In Tehran, Mr Nabavi, principal Iranian negotiator, had stated a few hours earlier: "As soon as the frozen funds have been deposited in the account opened by Algeria at the Bank of England, the American citizens will go home."

Following the planned process, the Algerian Government informed the Iranian Government that the deposit of the previously frozen Iranian funds into an escrow account was completed.

President Jimmy Carter was informed of the action of the Algerian Government at 0817 local time (1317 GMT), that is, less than 4 hours before he officially handed over his office to Ronald Reagan.

Early in the afternoon the Bank of England confirmed in London that the Iranian funds frozen in the United States had in fact been transferred to London.

In a communique the bank noted that they had been deposited in a "special" account opened in the name of Algeria.

Finally, the bank confirmed that it was indeed serving as intermediary between the Federal Reserve Bank and the markazi Bank, the Iranian central bank.

The final difficulty was thus solved. It concerned the manner in which the transfer of funds--more than \$8 billion--was to be effected.

Let us note, finally, that Warren Christopher, the U.S. deputy secretary of state, who had signed the Algiers agreement on Monday, met twice on Monday evening with Mohamed Ben Yahia, the Algerian minister of foreign affairs. The two men also held a long talk yesterday late in the morning.

#### Release of Hostages

Algiers EL MOUDJAHID in French 21 Jan 81 p 3

[Text] The 52 American citizens were released by the Iranian Government yesterday on the 444th day of their detention and after marathon negotiations between Washington, Tehran, Algiers, and London.

The two Algerian planes carrying the detainees took off at 2054 local time (1724 GMT) from Tehran-Mehrabad International Airport, that is, 24 minutes after Ronald Reagan took the oath of office in Washington as the 40th president of the United States. Former president Jimmy Carter, defeated last November, was thus unable to announce personally the resolution of an affair which had caused a lot of ink to flow.

The White House confirmed the fact immediately after the departure of the Algerian planes through Richard Allen, adviser to President Reagan for national security affairs.

Richard Allen provided this detail shortly after President Reagan had taken the oath of office.

In Tehran it was Ahmad Azizi, the Iranian Government spokesman who announced on television last night the release of the American citizens, describing the circumstances of their departure.

"Tonight the 52 American citizens, accompanied by Islamic students, drove in two buses along the road leading to Tehran airport and boarded the plane, while the individuals gathered at the foot of the gangplank shouted 'Allah Akbar' (God is Great)," he noted.

Mr Azizi also confirmed that the members of the Algerian delegation, the intermediary in the negotiations, had accompanied the 52 American diplomats when they left Iranian territory.

Mr Azizi also indicated that the Swiss ambassador in Tehran, Erik Lang, who was present at the airport, had been able to "attest to their good health." The Swiss Embassy in Iran is charged with looking after American interests in that country.

Finally, three planes took off from Tehran's Mehrabad Airport. One of the aircraft, PARS news agency reported, was used by the Algerian representatives, the second plane by the Algerian physicians who had given the American citizens a checkup, and the third plane carried the 52 Americans.

A Phantom jet escorted the three planes to the limit of Iranian airspace.

The Algerian ambassador in Washington, Redha Malek, as well as the governor of the Central Bank of Algeria, Mohamed Seghir Mostefai, were in the plane carrying the Algerian representatives.

Finally, PARS reported that the first plane took off at 2101 Tehran time, and the second and third planes at one minute intervals.

These planes were scheduled to touch down at the U.S. Hellenikon base near Athens, it was learned yesterday from a well-informed source. Special security measures had been taken at the base, where access was to be formally prohibited to the press, the same source reported.

Whatever the point at which they were to touch down (Ankara or Athens), the "Air Algerie" planes were expected this morning at Houari Boumediene Airport at about 0030 GMT.

In fact it took the aircraft which left Tehran at 1724 GMT 7 hours of flying time to reach Algiers.

At Algiers' Houari Boumediene Airport, a small but alert security force was already in place.

Even though no official source had confirmed the stopover in Algiers, the airport appeared to be totally prepared for this eventuality.

In the parking lot adjacent to the VIP lounge, three trucks belonging to RTA [Algerian Radio and Television] were waiting. One of them had a parabolic antenna on its roof.

According to experts, Algerian television could broadcast the event directly to the entire world by means of the "Intelsat" satellite.

Identifiable by their blue color and their acronym, two ALGERIAN PRESS SERVICE news cars were also present.

Some 200 meters from the VIP lounge, a barrier held back the cameramen of American television networks. More than 100 newsmen were present.

Warren Christopher, deputy secretary of state in the Carter administration and principal American negotiator, was scheduled to be present at Algiers airport. The stopover in Algiers was expected to last about an hour, while the flight from Algiers to Frankfurt was scheduled to take 3 hours.

At the Rhein/Main Airport near Frankfurt, two C-9 hospital aircraft loaded with food, blankets, and pillows were still parked on the runway yesterday evening.

Several members of the White House staff have already arrived in Frankfurt. It appears that outgoing President Jimmy Carter will also be in the FRG. He announced that he would make such a trip.

In front of the U.S. military hospital in Wiesbaden, 30 km from Frankfurt, members of the military police are mounting guard, everything is ready. As soon as they arrive the 52 American citizens will be installed in a third-floor wing of the hospital before undergoing a series of medical checkups and psychological tests scheduled to last several days.

2662

CSO: 4400

IRAN

BRIEFS

NEWSPAPER DENOUNCES AFGHAN REBELS--Kabul, Feb. 7, (Bakhtar).--The Iranian press disclosed the crimes committed by the counter-revolutionary elements of Afghanistan who have fled away to Iran. These elements have been carrying out illegal acts in Iran such as looting, smuggling, instigation and other crimes. The Ittela-hat daily, published in Tehran, while expressing disgust at the crimes of the Afghans fled away in a report says that a group of such elements have infiltrated in the border area of Iran such as Khozistan, Elam and Kermanshahan and resorted to looting, plundering and other crimes. [Text] [Kabul KABUL NEW TIMES in English 5 Feb 81 p 1]

CSO: 4920

IRAQ

IRAQ BLASTS IRAN FOR DECEIT, INTRANSIGENCE

Baghdad YURD in Turkmen 30 Jan 81 p 13

[Unattributed commentary]

[Text] Although the struggler Iraq, which fomented the auspicious 17-30 July Revolution, is confronted with a serious situation, it will not lag behind in its progress and development. However, it is trying to overcome difficulties and obstacles in a revolutionary and humane manner and with a lofty spirit. The war that has come about between heroic Iraq and the puffed-up, racist Persian regime makes clear, as a meticulous test, the positive stand and attitude of Iraq...The peaceful overtures that our struggler country made before the war confirm that its struggle is just. In other words, we want to make it clear that the Iraqi army was compelled to go to war.

For the racist Persian enemy has not only threatened Iraq's security but has threatened to occupy Baghdad and annex Bahrain as a province in the domain of the Persian empire. They want to incorporate into the Iranian order the Arab Gulf and the Shatt-al Arab fait accompli, regarding them as Persian waters and territory. Thus, the rulers of Iran, who are pursuing reactionary, mindless, and occupationist aspirations, by holding such extreme attitudes want to divest us of our native, national, and legal rights. Had there been any other country in the world in Iraq's place, were it also self-respecting and proud of its national territory, and if it hoped to protect its national sovereignty and honor, it too would have definitely gone to war. Now that Iraq has been compelled to follow this path, it is indisputable that its sons have fought bravely for their soil, that they have responded to battle with high morale cognizant of being the nation's sole hope, and that they have gained victories.

When the Qadisiyah of Saddam--who inculcated heroism, bravery, and resolve on the battlefield--erupted, he made it clear to the entire world how great Iraqi resources are by defeating the aggressors and achieving immortal victories over the armed forces of the racist Persian regime, regarded as the fifth strongest among the world's nations. Although the heroic Iraqi army is registering major victories on all fields of the battle front and although it is plunging the enemy Persian forces into a succession of defeats, the esteemed Prime Minister Saddam Husayn, acting from a position of strength, has himself said that he is ready to stop the fighting and desires negotiation. The Iraqi government, which endorses all affirmative efforts and overtures put forward to stop the fighting, has in this regard intended to protect the peace of the region and the entire world, show respect for international resolutions and tradition, and assume responsibility.

Thus, the Iraqi government has announced over radio, television, and through all information media that it harbors no aspirations whatsoever toward Iranian soil and that it will withdraw from occupied Iranian territory if Iraq's rights are recognized. This historic stand by Iraq constitutes the most brilliant page in history, for this stand expresses the fact that our country possess a morality and a supreme confidence that superbly coincides with its way of life. Has any country in the world up to now desired to stop a war and find just solutions through peaceful means when in a superior position and scoring clear-cut victories over the enemy? Thus, one victorious march and national liberation make clear that Heroic Struggler Comrade Saddam Husayn embodies revolutionary goals and a superior morality.

But because the Iranian regime is puffed-up, racist, and mindless, it has rejected all efforts expended by Islamic and other countries to implement a cease-fire resolution. For the leaders who came to power in Iran have declared to all the Iranian people and certain traitorous Arab leaders that they will crush the Iraqi army. Nevertheless, when Persian forces--finding themselves impotent before heroic Iraqi troops--were forced to pull back as soon as the fighting broke out, they abandoned several arsenals and positions and many of their number surrendered. When the Iranian regime was confronted with the dilemma of toppling from power, it started searching for a commander to rescue its territories taken by the Iraqi army.

Thus, Iranian Prime Minister Hasan Bani-Sadr decided in the presence of fractious Iranian officials and the cunning Imam Khomeyni to engage in an all-out offensive to save Iran from this dire situation. When he initiated the desired attack after 2 months of major preparation and although desiring to defeat Iraqi forces, instead of regaining occupied territory, the Iranians gave up more territory and suffered greater losses. But in order to cover up these new losses and damage and deceive their people with false victories, the vainglorious Iranian leaders, who harbor occupationist and extremist goals, began to exchange congratulatory telegrams with one another.

Thus, no matter how many major calamities have befallen the mindless Persians, who do not want to come to an understanding with the powerful Iraqi revolution and who reject a cease-fire, these are still not enough. They deserve to experience worse disasters and darker days. If they claim to have gained victories, it is a false logic and an illusion. Yet, they were compelled to claim false victories when they saw not only that Iraqi forces were growing stronger daily and that these forces engaged as if fresh and new but that the Iranian army was experiencing unprecedented defeats on the battlefield and suffering major losses in men and materiel. As for pretensions stating that the Iraqi armed forces could not fight for an extended period and aimed at weakening its morale, each has fallen apart as an illusion in the face of victories by Iraqi forces.

For the brave Iraqi army has believed in fundamental principles that encompass the country's sovereignty, honor, and national goals. Thus, the heroes of the 20th century are prepared to wage with great force and resolve a just struggle undertaken for the recognition of their national and native rights and to exact a fitting punishment for occupiers and slaves of imperialism.

CSO: 4907

IRAQ

BRIEFS

RADIO STATION BEAMED TO ARABISTAN--A new radio station has begun transmitting from Ahvaz to the sons of Arabistan (Khuzestan) in the Iraqi dialect, the language used by the majority of those living in the area. The radio is broadcasting under the name of Voice of al-Qadisiyah. [Text] [JN221045 Kuwait AL-WATAN in Arabic 20 Feb 81 p 1]

CSO: 4802

## ISRAEL

### PROJECTED ATTITUDE OF NEW U.S. CONGRESS TOWARD ISRAEL ANALYZED

Tel Aviv 'AL HAMISHMAR in Hebrew 12 Dec 80 pp 4, 11

[Article by Ze'ev Blitzer: "A New Congress--Trouble for Israel"]

[Text] In the recent Senate elections the Jews of the state of New York voted mostly for Representative Elizabeth Holtzman, the Democratic candidate, or for the incumbent Senator Jacob Javits who "ran" on the Liberal Party ticket after he lost the Republican nomination to Alfonse D'Amato who was the eventual winner.

The close victory of the conservative D'Amato over Holtzman (Javits was a distant third) was perhaps not, when all is said and done, such a great "tragedy" in light of the Republican capture of the Senate in the wake of Reagan's landslide victory. His affiliation with the "New Right" is likely to increase his influence on the Republican majority in the Senate and Ronald Reagan's administration. Holtzman's Democratic-Liberal background makes her a "persona non grata" in the eyes of the new American leadership. In contrast, it can be expected that D'Amato--a relatively unknown political personality from Long Island whose position on Israel has not yet been determined--will, nevertheless, be a pro-Israel fighter in the Senate.

First, every new senator of the state of New York is pro-Israel. It would be unrealistic to expect otherwise from someone who is dependent on so many Jewish votes. D'Amato, only 43, almost certainly will want to serve for several terms. He will not want to disappoint the many friends of Israel in his state even if they had not voted for him the first time. Second, D'Amato said all the right things in the election campaign even though he knew that he would not get the Jewish votes.

#### A Pleasant Surprise

"I am not naive," he said to the LONG ISLAND JEWISH WORLD, a short time after his surprising victory over Javits in the Republican primaries. "How many people in the Jewish community who know D'Amato only from advertisements and not personally will say that he is the right man and that they will vote for him?" The senator-elect was bold in his prediction: "I am about to win this seat, and then, I believe, the Jewish community will have a pleasant surprise."

The pro-Israel activists on Capitol Hill already have a reason to smile in their estimate of D'Amato. The new senator managed to have himself appointed to the crucial Appropriations Committee which must review all economic and military aid to Israel. The expected chairman of the committee is Republican Senator Mark Hatfield of Oregon one of Israel's bitter enemies. D'Amato explained that he intends to fight there for Israel.

There is even the possibility, albeit a remote one, that the senator from New York will be appointed as the chairman of the Foreign Operations Subcommittee. If this actually happens, then the damage caused to Israel by Hatfield will be more limited.

#### Pro-Israel Senators Defeated

The reassessment of D'Amato's victory is only one of the things which Israel and its Jewish supporters in the United States must do in the wake of Reagan's victory and the creation of a Republican majority in the Senate. It is now necessary to change many assumptions regarding the role of the Senate in shaping American policy in the Middle East.

The composition of the institutions of power has changed completely. "It is a completely new ballgame," said a veteran pro-Israel activist, in hinting at the fact that many of Israel's most enthusiastic supporters will not return to the 97th Congress when it convenes in January. In recent years Israel has lost Democratic Senator Hubert Humphrey of Minnesota who passed away and Republican Clifford P. Case of New Jersey who lost in his party's primaries 2 years ago. These two were key members of the Foreign Relations Committee who never abandoned Israel.

In the recent contests several other pro-Israel leaders, including three key members of the committee, were also defeated: Jacob Javits, Chairman Frank Church of Idaho, and Richard Stone of Florida. Other pro-Israel liberal Democrats who were defeated, even though they were not that active, were Birch Bayh of Indiana, George McGovern of South Dakota, John Culver of Iowa, John Durkin of New Hampshire, Gaylord Nelson of Wisconsin, and Warren Magnuson of Washington. When it came to matters concerning Israel, Magnuson almost always voted like the junior senator from his state, Henry Jackson.

#### Jews in Congress

The absence of these men will undoubtedly be painfully felt, although other pro-Israel votes, Democrats and Republicans alike, will remain. For example, there will be six Jews in the Senate, one less than in the previous one. Javits and Stone were defeated, and Democrat Abraham Ribicoff of Connecticut did not run. However, two new Jewish senators were elected: Republicans Warren Rudman, 49, of New Hampshire and Arlen Specter, 50, of Pennsylvania. Four veteran Jewish senators, who were not up for election, remain: Republican Rudy Boschwitz of Minnesota and Democrats Ed Zorinsky of Nebraska, Howard Metzenbaum of Ohio, and Carl Levin of Michigan.

Boschwitz, a Berlin-born Jew, whose parents fled from the Nazis to America in 1933 when he was 3 years old, will join the Foreign Relations Committee, a fact which was enthusiastically received by Israeli officials and other pro-Israel activists on Capitol Hill. Boschwitz is a strong supporter of Israel and it can be expected that he will fill the void created by the departure of Javits and Stone from the committee. Indeed, with his joining the committee, Boschwitz will almost certainly be the main pro-Israel spokesman among the six Jews in the Senate. Zorinsky, a former mayor of Omaha, is also a member of the committee, however, he has never taken the lead in anything involving Israel.

The Jewish members of the Senate and the House of Representatives--of the 435 members of the House of Representatives, 27 will be Jews--already are aware of their role among their non-Jewish associates in everything involving Israel. Their positions on sensitive issues are likely to be crucial in motivating many others to follow their lead. Such was the case with Ribicoff's decision in 1978 to support the "package deal" of the sale of F-15 aircraft to Saudi Arabia by the Carter administration, which was the key factor in the administration's success in its battle in the legislative authority. If Jews like Ribicoff vote for the deal, it was then said, why shouldn't non-Jews vote for it? Many senators look to the Jewish members for guidance on issues involving Israel and on other matters involving Jews such as the emigration of Jews from the Soviet Union.

Also, when it was known that Republican Senator Charles M. Mathias of Maryland and Democrat Alan Cranston of California will be members of the Foreign Relations Committee, it was good news for Israel. Both have supported Israel in the past.

#### The Percy Obstacle

However, the chairman of the committee will be Charles Percy of Illinois who since 1975 has taken a position which Israeli officials and other supporters of Israel here consider to be "pro-Palestinian." This was even more vividly apparent recently when Percy confirmed that at the end of last month he told the leaders of the Soviet Union that he was in favor of a Palestinian state headed by PLO leader Yasir 'Arafat. Nevertheless, through the years Percy has always voted for aid to Israel.

The committee must also approve all economic and military aid programs. Israel, which receives almost \$2 billion a year, is the largest "client" of American foreign aid. In his speech at the biennial convention of the American Zionist Federation held in Grossinger's Hotel in New York, the director of Israel's Public Relations Committee surprisingly did not display pessimism in his estimate of the next session of Congress, even with the loss of so many friends and the new roles of Percy and Hatfield. Thomas A. Dine, Senator Edward Kennedy's former advisor on legal affairs who inherited the position of Y. Amitay as the acting director of the Israel lobby organization, hinted that the Foreign Relations Committee "will no longer be the charming and loving committee which we have known in the past," a hint about outgoing Chairman Church who could always be depended upon to defend the position of Israel.

Dine, who spoke before Percy's recent "bomb," said about the senator from Illinois: "Until his visit in 1975 to Israel, Egypt, Lebanon, and other places, his positions were without blemish and even exemplary. Afterwards, his attitude toward Israel cooled, he supported al-Sadat, and described 'Arafat, with whom he met, as a "relative moderate."

"Since this trip he has repeatedly said that it is Israel's responsibility to solve the Palestinian question and that the economy of the United States is dependent upon peace in the Middle East. Later, in his re-election campaign in 1978 when he faced a strong opponent, Percy returned to the pro-Israel camp."

However, instead of speaking in a generally despairing tone, Dine stated: "Let's overcome the shock and not be influenced by panic. We must continue within the new reality." According to him, AIPAC (American-Israel Public Affairs Committee), the only pro-Israel lobby officially registered on Capitol Hill, will work with both Republicans and Democrats. "The support for Israel has always been and will always be bipartisan," he said, "everyone is a potential ally."

## Similar Geopolitical Views

More than most of the others, Dine is aware of the fact that nothing will be done easily or automatically, even though he draws encouragement from the fact that AIPAC and President-elect Reagan have similar geopolitical views. He outlines them generally as follows:

- Israel is a strong ally of the United States against the Soviet Union and its supporters in the region.
- Israel is reliable, being a democracy and conducting a pro-Western foreign policy.
- As the Iraq-Iran war proves, instability in the Middle East does not begin and end in Jerusalem.
- The solution of the Palestinian problem is not the highway to stability in the Middle East.
- The relations with Saudi Arabia must cease being unilateral, from "Washington to Riyadh alone."

Dine cited several AIPAC objectives for the coming year: "Let's help our friends in the new administration fight against the Saudi connection; the closing of the PLO office in Washington; demonstration of a strong position in the United Nations; maintenance of Israel's centrality in American policy in the Middle East." His efforts will be supported by pro-Israel senators such as Boschwitz on the Republican side and Patrick Daniel Moynihan of New York on the Democratic side.

## "Safe" Republicans and Democrats

There are other Republicans who, it can be expected, will fill the void left by Church, Stone, Javits, and the others. To be specific, Israel is fortunate that it has dedicated supporters such as Robert Dole of Kansas, Robert Packwood of Oregon, Willian Cohen of Maine (whose father was a Jew but who is affiliated with the Unitarian Church), John Danforth of Missouri, Lowell Weicker of Connecticut, Paul Laxalt of Nevada, and John Heinz of Pennsylvania.

Laxalt will be especially important since he is Reagan's best friend in the Congress. Aware of this fact, Israeli Ambassador Efrayim Evron flew last weekend to Las Vegas in order to attend the Israel Bonds dinner in honor of Laxalt. The senator from Nevada assured Evron and those at the dinner that Reagan would indeed fulfill his many election promises on Israel.

The new Senate majority leader, Howard Baker, Jr. of Tennessee, is preferable on everything involving Israel to his predecessor, the Democratic leader Robert Byrd of West Virginia. After all, it was Byrd who angered Israel and its supporters by publicly expressing the idea of cutting aid to Israel because of its settlement policy in the West Bank.

Also on the Democratic side, Israel keeps many devoted friends who have stood the test such as Kennedy, Jackson, Don Riegle of Michigan, Bill Bradley of New Jersey, and Joseph Biden of Delaware, to mention a few of them.

However, at the same time, the new composition of the Senate will cause serious difficulties for Israel. This means that at least for the short term, Israel will be more dependent than ever on the good will of the executive authority in the American administration in everything involving the filling of its many economic, military, and political needs. In the past, whether the Republicans or the Democrats were in the White House, it was able to depend on its friends in the Senate and House of Representatives to rush to its defense in times of a split with the administration. Congress served as a safety net.

#### More Vigorous Struggles for Israel

With the decisive victory of the Republicans and their control of both the executive and legislative authority, it will now be more difficult to use the Congress as a counterweight to the administration, and specifically the State Department which will have great authority in the Reagan administration. One can expect an extended honeymoon between Reagan and the Congress. Because the Republicans in Congress will cooperate more or less with the Reagan White House, Israel will have to conduct its struggles with the administration itself more vigorously, before final decisions are taken and sent to Congress for consideration.

This means that the internal decision-making process in the Reagan administration will be doubly important. Israel almost certainly will be unable to permit itself the luxury of hoping that the Republican Senate will nullify or change these decisions. The area which will have crucial importance is, according to experts on Capitol Hill, foreign aid. Since so many conservative Republicans have voted in the past against laws for foreign aid to countries throughout the world, Israeli officials believe that legislation for aid to Israel will be greatly dependent on the Reagan administration.

It will be very difficult for Congress to take the initiative to increase foreign aid to Israel, especially when Hatfield is chairman of the Appropriations Committee. In many ways, his position will be a reminder of the time when Senator William Fulbright was chairman of the Foreign Relations Committee. Fulbright was, as is remembered, a sharp critic of Israel. The two committees review separately the foreign aid legislation in the long and complex process which leads to the adoption of the law.

#### Everything Depends on Administration Intervention

Overcoming Fulbright's pro-Arab leaning was difficult, however, after the fact, it was proven to be possible. These days Israel has an abundance of friends on the Senate Foreign Relations Committee. It will be significantly more difficult to call on Reagan. One can expect an extended honeymoon between Reagan and the Congress [text missing] and their ability to defend aid to Israel.

"As an ally of the United States," Reagan stated during the course of the election campaign, "Israel must have the means to remain strong and secure. Through the years the United States has provided her with economic and defense assistance, and a Reagan administration will continue to maintain this traditional commitment."

We will soon know if this statement was only election rhetoric. Reagan repeatedly described Israel as the United States' main "strategic asset" in the Middle East. He will now have the opportunity to deal with this issue accordingly. If he

compromises and backs off from it, the new configuration in Congress and the loss of many friends of Israel will assure that Israel will be in great trouble, and especially when its economic, political, and military needs are greater than ever. If he keeps his promises, even Hatfield and Percy will not change the situation very much.

5830  
CSO: 4805

## ISRAEL

### ISRAEL'S OCCUPATION POLICY IN WEST BANK CRITICIZED

Tel Aviv 'AL HAMISHMAR in Hebrew 12 Dec 80 p 3

[Article by Muhammad Watad: "Rape of Cinderella in the West Bank"]

[Text] In the West Bank there are about a dozen political orientations with one common denominator: to get the Israeli occupation administration off their backs. The military administration has indeed recently gotten off the back of the population, however it has settled on its soul. From an "enlightened" administration it examines books and exhibitions, takes an interest in celebrations and weddings, prohibits meetings and gatherings, and sends soldiers in pursuit of rebellious young boys and girls in the streets and yards.

No one has a prescription on how to exorcise what is becoming an evil spirit, and it seems that Israel needs no less than the population in the West Bank a prescription which would free it from the captivity of the occupation. The policy of the present government not only adds complications to the existing ones, but it is even proceeding to dig a deep grave for the Camp David Agreements which it offered as a solution for the future in the West Bank.

#### War of Attrition

A cursory glance at the inside pages of the West Bank newspapers indicates that business, as it were, is as usual. The society columns are filled with announcements of joyous and sad occasions: someone is getting married, may God bless... and someone has died, may God have mercy...the son of our friends, the Al-'Ata'una's from Hebron has received an engineering degree, and a son has been born to the Hayta family (Good Luck!). There is also no lack of business advertisements. Only the universities are postponing examinations, and in the stonecutting enterprises (partially on strike), the work is proceeding in slow motion, if at all.

The censor's scissors virtually ignore the inside pages. The front pages pose a problem, both to the censor and the editors. From what remains for publication it is learned that there is actually a war of attrition between unequal and unbalanced forces:

A modern army against a volcano whose activity is not being conducted in accordance with rules and laws. It seems at times that they are playing a game of "tag" based more on capricious intuition than on agreed upon rules. Only those who are directly

involved in the game know how serious and dangerous it is. Complete graduation classes of West Bank students are being formed in an extended confrontation with an experienced army--professionalism (without sentiments) pushes aside values. And so, a graduating class goes and one comes, and in this war of attrition, many myths are dispelled. "The purity of weapons" is not the only myth which will be recorded as having been dispelled in this war.

#### Leaders in Rotation

This war is creating a new situation of a major change in leadership. The central leadership has been damaged, and as such, room has been made available for local leadership--and for leadership of a new program. There is virtually no remnant of the old guard. The most prominent members of the second echelon of leaders have been deported (including 'Abd al-Juwad Salah, who today holds a key position in the PLO Executive Committee). A few have remained from the third echelon after two were wounded, Khalaf and Shaq'a, and two were again expelled, Milhem and Qawasmah.

Whoever deceived himself that this would leave the West Bank without leadership will still discover the seriousness of his error, if he does not discover it while there is still time. A student leader in a certain school can have a much greater influence than a "quiet" mayor. In universities and institutions of higher learning, the students lead the teachers. One can fill the prisons with students, however on the outside a few will remain and they will emerge in a short time as leaders--and there is no end to it.

The method now adopted by the administration is fraught with danger. In addition to disrupting life in the West Bank, it will have serious implications for the distant future, even in conditions of peace! The students of today are the adult neighbors of the future. The physical and psychological scars will become more than an identification symbol and will form undesirable patterns of thought and conduct.

#### Intimate Penetration

With its policy the government is penetrating the most intimate places in the life of the Arab population. Since Fadua Tuqan published her diary (her life story), she has been virtually silent. However, the notes of Sa'ada al-Namar, which tell of her experiences in a prison cell "somewhere," will pass through many hands, even though they will not be displayed at a legal exhibition. The paintings of Suleiman and others will be displayed in the Intercontinental Hotel, if not in PALESTINE WEEK. The prohibitions which are imposed through various sophistical means against everything which mentions the name "Palestine" strengthen the undesirable myth from the point of view of the government, however they weaken and even break other myths which the government perhaps was interested in preserving. "The methods of investigation which presume to penetrate our minds and the recesses of our souls," a West Bank writer wrote to me, "after they penetrated our cities and lands with their settlements, have proven to me how mistaken I was in my estimate of their good intentions..."

I will say no more: whoever has an answer (to a person who is opposed to terror and recognizes Israel), let him stand up! I have about the same answer. However, when one is talking about this kind of compulsion, it can only be an answer which hangs upon nothing--an answer which anesthetizes the wound but will not remove the scar.

Rec Hat

Layla (the third daughter of a friend from Ram Allah) dreamed about being Cinderella, however she lives the part of Red Hat [the name of a famous children's story]. To date she has published in the East Jerusalem press more than one story, except for this story for which she has not written an end. The details of the story change once a week. She goes into the woods unobserved, holding a school bag containing a number of books in addition to a few stones...additional details are broadcast in refined versions in the communications media, like the harsh hand of reality in her cit:

Since the time that I knew her as a young girl, Layla has changed to the point of being unrecognizable. I do not know if the change has been for the good. However, the circumstances of the change and their contexts are undoubtedly negative.

The policy adopted by the government, a harsh policy which is characterized by the absence of wisdom (the expulsion of Milhem and Qawasmah) and the defense of an inflated prestige is likely to leave behind it a scorched earth. Even if the administration scrupulously follows government policy, it has found itself going far in implementing the instructions of the political level which leaves considerable room for interpretations, which lead to "exceptions" and not only at the lower echelons. A reassessment of this policy and the drawing of conclusions from the results of the expulsion of leaders and mayors can stop the deterioration and reshape a leadership rank which by its very presence will have a calming effect.

5830  
CSO: 4805

JORDAN

BRIEFS

KING HUSAYN CONGRATULATES CARLOS--At noon today, his majesty King Husayn telephoned the king of Spain his majesty Juan Carlos. The latter briefed his majesty the king on the details of the storming of the Spanish Parliament building and the crushing of the coup attempt. King Juan Carlos asserted that the Spanish Government controls the situation in the Spanish capital city. His majesty King Husayn congratulated King Juan Carlos on the wise manner in which he handled the regrettable events in his capacity as supreme commander of the Spanish armed forces and protector of legitimacy and the constitution in the friendly Spanish state. [Text] [JN241707 Amman Domestic Service in Arabic 1600 GMT 24 Feb 81]

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NATIONAL BLOC LEADER DISCUSSES ALTERNATIVES FOR SOLUTION TO CRISIS

Beirut L'ORIENT-LE JOUR in French 24 Jan 81 p 3

[Report by Raymond Iddih, leader of the National Bloc, dated 21 January 1981]

[Text] In a report dated 21 January 1981, the leader of the National Bloc, Raymond Iddih, retraces the phases of the crisis in Lebanon, the "victim of the policy preached by Israel," recommends a two-part solution and outlines what President Reagan's policy on the Middle East should be. The following is the text of Iddih's report.

Lebanon has been and continues to be the victim of a policy preached by Israel. In his famous statement of 10 September 1977 (L'ORIENT-LE JOUR, 11 September 1977), Moshe Dayan, then minister of foreign affairs, said that:

"The only solution to the problem of the Palestinian refugees would consist in having host Arab countries grant them citizenship."

In order for this solution to be feasible in Lebanon, where the Christian and Muslim communities co-existed peacefully, it was necessary to provoke a civil war and armed confrontations between Lebanese and Palestinians. That is what happened in 1975.

The purpose of the confrontations was to split Lebanon in two: a Christian Lebanon north of the Damascus road; and a Muslim Lebanon south of that road, in which the 500,000 Palestinians living in Lebanon would settle.

However, well before this war, as early as 1954, Israel had planned to bring about the breakup of Lebanon in order to settle the Palestinian problem: by encouraging and aiding the Maronites to create a small "Christian state" governed by the Maronite community; by detaching the Bekaa Plain, Akkar and the city of Tripoli from Lebanon; and by annexing the territory south of the Litani River. (See the exchange of letters between Ben-Gurion and Moshe Sharett in 1954.)

The plan was then canceled because Israel had decided to invade Egypt. This was the war of 1956.

However, everything points to the fact that the plan, in revised form, was taken up again and carried out in 1975 for the purpose of: causing an exodus of

Christians and proceeding to divide up Lebanon in order to make it easier to settle Palestinians there; annexing Syria, Bekaa, Akkar and Tripoli in exchange for Golan and in order to bring Syria to sign a treaty of peace and nonbelligerency with Israel; and annexing southern Lebanon, from the Litani River, to Israel.

Today, one can see that a de facto partition already exists and that the Falangist Party, armed and trained by Israel, is trying to create a mini Maronite state including the regions of Jbeil, Kesrouan, Metn-North and Beirut-East.

And yet, since 1975, the United States and the Soviet Union, together with the Europe of the Nine, have ceaselessly proclaimed that they favor safeguarding the "unity, territorial integrity, independence and sovereignty of Lebanon within its internationally recognized limits."

Unfortunately, this position has not prevented the destruction of Lebanon, hundreds of thousands of dead, wounded and refugees, the exodus of hundreds of thousands of its inhabitants, particularly Christians, its occupation by the Israeli Army in the south and the Syrian Army elsewhere, with the exception of the Mount Lebanon "citadel" where Falangist power reigns.

#### Syrians, Israel and the United Nations

Believing it would put an end to the armed confrontations between Lebanese and Palestinians, the two superpowers and West Europe applauded the entry of the Syrian Army into Lebanon (1 June 1976), believing also that it would quickly withdraw as soon as the president of the Lebanese Republic asked it to do so, as provided by the resolutions of the Arab League, which put the Arab forces under the command of Elias Sarkis.

Inasmuch as the FFA [expansion unknown] have been exclusively Syrian for nearly 2 years, President Hafez Assad did not hesitate to declare that "when state reason demands the total withdrawal of Syrian forces from Lebanon, we shall do so without going to Lebanese President Elias Sarkis."

As for Israel, on 15 March 1978, it invaded southern Lebanon, reaching the Litani River, which it would make the line of demarcation of its northern border.

Israel would have remained at the Litani and would have annexed all the territory south of the river if Washington had not intervened with the Security Council.

By Resolution 425 (1978), the Security Council decided upon "the withdrawal of Israeli forces from all Lebanese territory, the sending of an interim UN force to southern Lebanon in order to confirm the withdrawal of Israeli forces, restore international peace and security and help the Lebanese Government to ensure the restoration of its effective authority in the region...."

But Israel still refuses to withdraw its forces from southern Lebanon.

In his speech before the Security Council on 17 September 1980, Israel's representative Blum stated that "Israel had no territorial claims on Lebanon."

However, this declaration is contrary to reality. Israel has no written constitution. The boundaries of its territory are not established by any law. Nor must one forget that the leaders of the Hebrew state are supporters of Greater Israel, *Eretz Israel*, which means the "land of Israel," in fact, Greater Israel.

The only document establishing the border of the nation of Israel with Lebanon is the Lebanese-Israeli armistice of 23 March 1949, which states in Article V that: "The line of armistice will follow the international border between Lebanon and Palestine."

Israel, hampered by the document, now claims that the armistice convention has ceased to exist. This is inaccurate because the Security Council twice confirmed the validity of the armistice convention: by Resolution 459 (1979), in which it "reaffirms the validity of the general armistice convention between Israel and Lebanon"; and by Resolution 467 (1980), in which it "asks the secretary general to convoke the armistice commission."

Moreover, the report of the secretary general on 12 December 1980 (paragraph 28) recalls that the "United Nations considers that the general armistice convention remains valid and that the commission's term has not lapsed."

Israel must therefore respect the Lebanese-Israeli armistice convention and carry out Resolutions 425 and 426 of 19 March 1978, which order it to withdraw from all Lebanese territory.

Only recently, on the occasion of the renewal of the mandate of the FINUL [UN Interim Forces], the Security Council once again decided, in Resolution 483 (1980), to "examine the practical ways and means of ensuring the integral application of Resolution 425 if the Force should continue to be prevented from carrying out its mandate."

These practical means are mentioned in Articles 41 and 42 of the Charter of the United Nations, which provide the following: the complete or partial interruption of economic relations and means of communication, the breaking off of diplomatic relations and recourse to military operations.

Unfortunately, one can already affirm that as in the past, the Security Council will not resolve to resort to such measures to force Israel to "immediately cease its military action in Lebanon."

#### Salvation

Having said this much . . . Lebanon be saved and its stability restored?

In two ways: First of all, by replacing the Israeli and Syrian forces by Interim Forces of the United Nations, which would be spread out throughout Lebanese territory.

Although the UN Interim Forces have not been able to fully carry out the mandate it was given by the Security Council, one must nevertheless recognize that it renders and can continue to render valuable services.

One could also envisage the establishment of a European or Arab-European force, on the condition that the Arab soldiers not be from nations with designs on Lebanon.

However, it is up to Lebanon to facilitate the task of the Interim Forces by declaring the Cairo agreement of 3 November 1969 expired because it violates the armistice convention and is incompatible with Resolutions 425, 426 (1978) and others of the Security Council and the resolutions of the Tunis summit conference of 21 November 1979.

Moreover, the Cairo accord no longer has any *raison d'être* since the PLO decided well before the Tunis summit "to abstain from undertaking military actions in southern Lebanon."

The second way would be to create a Palestinian state in Palestine.

One must henceforth recognize that the argument invoked by Israel and the Free World to prevent the creation of a Palestinian state because it would be dominated by the Soviet Union no longer has any value since Syria signed a friendship treaty with the USSR.

Some 10,000 Soviet experts, serving as military instructors, pilots and technicians, are reportedly now in Syria.

The Soviet Army is therefore already present in Golan and even Lebanon, within the Syrian Army -- that is, north and east of Israel.

But if the Palestinian state should be created, the entire situation would change. One can in fact state that it would not necessarily be of Soviet obedience.

Lebanon would be freed from the Palestinian Resistance, whose action in Lebanon could no longer be justified in any way. Lebanon could then restore its authority throughout its territory.

Syria, using the pretext of fear of an Israeli invasion in order to remain in Lebanon, would no longer have any reason to remain there and could also do without the services of the Soviet experts.

However, the two superpowers, West Europe and naturally, the United Nations, would have to impose on the state of Israel -- which they created -- limits on its territory.

Finally, as we know, America was counting on Israel to control the Near East and to act as policemen and prevent Soviet communism from gaining a foothold there.

Today, the proof exists: It is Israel, its expansionist policy, its refusal to carry out the UN resolutions, its continued opposition to the just claims of the Palestinian people to have a Palestinian state, which have forced Syria, isolated since the Iraqi-Iranian war, to join with the Soviet Union through a treaty.

It is therefore up to President Ronald Reagan to revise American policy by: putting an end to the expansionism of Israel, militarily and financially supported by

America; helping the Palestinian people to regain a state in Palestine; and effectively safeguarding the unity, integrity and sovereignty of Lebanon within its internationally recognized borders.

In this way, America and the Europe of the Nine could save a friendly nation and enable the Middle East to regain peace and stability.

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## ECONOMY CONTINUES TO IMPROVE IN 1980

Beirut L'ORIENT-LE JOUR in French 16 Jan 81 p 9

[Article by Henri Azar: "1980: A Positive Balance Sheet"]

[Text] The improvement which began to be noticed in the Lebanese economy in 1979 continued its thrust in 1980. Judging by the statistics, substantial progress was made in the main sectors. Good performances were even registered in certain areas despite the instability prevailing throughout the past year.

The industrial sector, which nevertheless had to face serious difficulties, lost no momentum. While the production of leather and textile plants was profoundly affected by smuggling operations, the export figure for this sector as a whole was still satisfactory. In fact, official estimates show that the value of industrial exports accompanied by certificates of origin was nearly 1,819,000,000 LL [Lebanese pounds] in 1980, compared with 1,262,000,000 in 1979, a 44-percent increase. In addition, the value of imported machinery and equipment to be used to rebuild the industrial infrastructure amounted to over 507 million LL compared with 490 million in 1979, a 5.3-percent increase. Finally, the number of plants that obtained licenses during the year analyzed was 77. Total capital of those plants is 372,959,750 LL and it is estimated that the number of workers employed by the plants would be 1,524.

### Customs Receipts and Smuggling

Concerning customs receipts, there continued to be large-scale smuggling, preventing those receipts from being collected. Illegal ports spread out all along the coast (an average of one port every 10 kilometers) actually received nearly 50 percent of the imported products and those in transit. Consequently, the Treasury lost duties that may have totaled an estimated 500 million LL. Nevertheless, the amount of customs receipts collected in 1980 was over 683 million LL, compared with 682 million LL in 1979, a slight increase of .11 percent.

Within this context, it should be noted that despite sporadic disturbances at the Port of Beirut, activity was substantial, as shown by the amount of customs receipts collected on goods received at the port. The total was over 435 million LL in 1980, compared with 330 million LL in 1979, equivalent to a 31.7-percent increase. Moreover, for the year being analyzed, this total represented 63 percent of all customs receipts collected throughout Lebanon, while in 1979, port taxes made up

only about 48 percent of those receipts. Finally, movement at the port registered the following increases: 2.3 percent for goods unloaded; 49 percent for transit; and 193 percent for containers unloaded.

(in millions of LL)	1979	1980	Percent
Industrial exports	1,262	1,819	+ 44
Imported machinery and equipment	490	507	+ 5.3
Customs receipts	682	683	+ 0.11
Bank deposits	20,000	26,000	+ 30

For its part, traffic at the Beirut International Airport also improved somewhat. The number of flights (round-trip) increased 13.8 percent over 1979. However, total customs receipts collected there dropped 9.2 percent. This decline is reportedly due to a 12-percent drop in transit movement. However, the total nevertheless represented 20.2 percent of all customs receipts collected in Lebanon.

#### Banking Performance

The banking sector is the one that had the best performance in 1980. Alongside six new credit establishments set up, several branches were opened in Beirut, in suburbs and in the different regions of Lebanon. Other branches were officially opened in Paris, London, Geneva and on the African continent. Moreover, banks have an additional 1,000 new employees and the overall balance sheet of credit establishments is up 30 percent. The sum of bank advances rose 17 to 18 percent over 1979 despite the limitation on lines of credit imposed by the Bank of Lebanon in August 1979. These advances were essentially granted to projects to rebuild the commercial, industrial and tourist infrastructure. Along this line of ideas, one should note the 40-percent increase in the volume of documentary credits, which gives an idea of the scope of the movement to finance different import operations. Likewise, one should mention the massive applications of banking establishments for Treasury bonds, along with their participation in the capital of the finance company aimed at promoting an obligatory market in Beirut. Finally, based on approximate estimates, the amount of bank deposits was nearly 26 billion LL at the end of 1980, compared with 20 billion LL at the end of 1979 (it was 9 billion LL in 1974), an increase of 30 percent.

#### Surplus Balance of Payments

In another area, one must note that while Lebanon's foreign trade balance -- mainly with industrialized nations -- maintained a large deficit, the large sums of funds that converged on the country once more covered it. These funds mainly come from transfers made by Lebanese nationals working abroad and they made it possible to achieve a substantial surplus in the balance of payments. By September, the surplus amounted to \$600 million, compared with \$200 million for all of 1979. In addition, the government's financial situation showed a net improvement due to a substantial drop in the Treasury's deficit compared with 1979. The drop was obtained because of the following two factors: payment of part of the Arab assistance decided upon at the Tunis summit conference (\$153 million out of \$400 million); and the profits made by the Bank of Lebanon on its investments made abroad in foreign currencies. This improvement resulted in the startup of several development and

construction projects for a total sum of over 1 billion LL (construction of electric powerplants and garbage treatment plants, complete overhauling of the road system, improvements in the infrastructure).

In other words, for the fourth consecutive year since 1977, the balance sheet for 1980 reveals the endurance and vitality of the Lebanese economy. The correction that must be made in the preceding figures due to a 4.8-percent drop in the value of the Lebanese pound compared with other currencies does not alter the importance of the achievements significantly. For a country that has lived in an atmosphere of instability for nearly 6 years, in which the infrastructure of all sectors has been seriously shaken, in which institutions are having difficulty getting back on their feet and in which projects are conceived in a precarious situation, this balance sheet is more than passable; it is positive.

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**WORKERS CONFEDERATION WANTS COST-OF-LIVING INCREASES**

Beirut L'ORIENT-LE JOUR in French 23 Jan 81 p 2

[Text] On the social front, the General Confederation of Workers of Lebanon (CGTL) announced yesterday that it had sent a memorandum to the Ministry of Labor and Social Affairs asking for a general wage increase of 23.6 percent, retroactive to 1 January 1981, because of the increase in the cost of living.

The CGTL memorandum calls the Ministry's attention to the following:

"The annual cost-of-living adjustment to cover rising prices the preceding year is aimed at maintaining the purchasing power of the workers. This is a legitimate right of the working people.

"Such an adjustment actually only restores the balance retroactively because the wage increase is computed in terms of the increase in the cost of living over the past year, an increase which wage earners have actually supported while management has profited from it. Consequently, the cost-of-living adjustment in wages stemming from higher prices cannot result in a new increase in the prices of consumer products.

"The index used by the CGTL in 1980 was in keeping with the general cost-of-living index established by the Ministry of Labor and Social Affairs. Therefore, convinced of the figures given by the CGTL, the Ministry of Social Affairs should raise wages in the aforementioned amount. It is to be hoped that this decision will be made as soon as possible.

In the course of negotiations with the Ministry of Social Affairs last year, the CGTL emphasized the need to draw up a uniform general index by means of cooperation between the government, wage earners and management. This would make it possible to eliminate wasted time and idle discussions."

The CGTL memorandum is signed by Georges Sahr and Toufic Abou Khalil, respectively president and secretary general of the confederation.

**Increase in Gas Prices**

At the very time the CGTL was forwarding its memorandum containing the claims to the Ministry of Social Affairs, it was being announced that prices of domestic gas

were beginning to rise. Once again, the official rate schedule was thrown out. In fact, a 10-kilogram bottle of butane gas was sold yesterday for 19 LL [Lebanese pounds], instead of the 16 LL that should have been the price according to official rates.

Also within the framework of efforts made by trade unionists to push claims of the working class, the council of delegates of the National Trade Union Federation is to hold a meeting today (Friday) in order to examine the situation on the social front.

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## SAUDI ARABIA

### SIGNIFICANCE OF ATTACK ON GREAT MOSQUE DISCUSSED

Brussels REMARQUES ARABO-AFRICAINES in French No 527, 1980 pp 10-12

[Article by Pierre Heim: "After the Shock"]

[Text] The Wahhabi kingdom, seriously shaken by the psychological tidal wave represented by the seizure of the Great Mosque in Mecca and the semirebellion of the eastern province, seems to have recovered well. The test proved salutary for the regime, which if it was not seriously threatened, saw its credit cut off and felt it deeply. To speak the truth, no nation in the region is invulnerable to such shocks, since Khomeyni's Iran has become for the neighboring countries a focus of challenge which threatens their internal stability. The Islamic contagion spares none of them. They are all on tenterhooks, beginning with the richest.

This situation is worrisome from many points of view, and it does not cease to trouble a world shaken to its foundations by the conflict with Israel. The image of the shah's Iran, "that marvel" of growth, which aggravated to the point of breaking the link, which is latent in all developing societies, between traditionalism and modernism, haunts the thinking of everyone like a "mene, mene, tekel, upharsin," although they tell you reassuringly that there is no reason for comparison, for the one state is not the other. Of course. But fear is there, seemingly attenuated for the moment, since Iran is involved in its internal convulsions, but it will not disappear so long as Khomeyni weighs heavily in the fate of Iran.

### The Shadow of Mohammed ibn-'Abd-al-Wahhab

Two antagonistic forces are vying for power in Saudi Arabia, a bourgeoisie which has become rich in business and the Ulema clergy. But the club of princes which governs the state is keeping a weather eye open. First of all, the descendants of Ibn Saud do not intend to allow themselves to be unseated, and secondly, they are careful not to precipitate any developments which will lead the kingdom, their heritage, to its doom. The maneuver is delicate: it is a question of advancing without abandoning anything. The Ulemas bridled at the introduction into the kingdom of the telephone and television. They had to yield. That was yesterday. Today, they persist in banning women from public life. But the education of girls on all levels is a gain which the regime has not a chance of reversing.

Let us be clear: the king and the princes who administer the country cannot afford to challenge the Ulemas; anointed by them, they must rely on them. The Wahhabi clergy is one of the pillars of Saudi society. Islam is within the state in Saudi

Arabia, whereas in the shah's Iran it was not only outside the state, but rather drawn up against it. And there is the whole difference between the two regimes: here the clergy is the source of legitimacy, while there it challenges it. This is a difference based on the diversity of the historical origins of the two monarchies. In Arabia, the political ambition of the Saud family relied upon the integrist activism of Mohammed ibn-'Abd-al-Wahhab (1703-1792) and his successors, while in Iran, a military coup d'etat overthrew the old dynasty of the Khadjars and put an imitator of Ataturk on the throne who, like him, wanted to cut great swaths through the forest of an age-old civilization. The kingdom of Ibn Saud was born of a pact sealing the holy alliance between the temporal and the spiritual. The Saud family imposed itself on the other great Bedouin families, by the sword certainly, but also by means of marriages, and the possession of the holy places of Islam consecrated their authority. The guarantors of the ark of the alliance are the descendants of 'Abd-al Wahhab, the Al Sheikh family, three or four of whom have permanent seats on the Council of Ministers.

#### A Cultural Revolution?

We are in the medieval world of the 13th century. The king reigns, surrounded by his peers, in consultation with the Council of Ulemas and Emirs. He dispenses justice and goes hawking for sport. The principle of honor governs relations among men. An offense must be expunged with blood. Woman--invisible--is the erotic facet of a universe dominated by virile values. Intellectuals are not students trained abroad, but the clergy. This clergy holds the secret of all knowledge. In this capacity, there are those who have condemned the death penalty as a sign of godlessness and have condemned the conquest of the moon by man, without a doubt in a state of ritual impurity. This is the dogmatic rigor which ossifies the religion, but is reflected in an invincible faith in god. The influence of these men on the young is great, the greater the more ignorant the young are. To preserve the authenticity of the faith, as well as the purity of morals, some of them, the most integrist, do not hesitate to stigmatize the dissolute life of the powerful, as has been seen in our medieval age. Hence the last flare-up of violence, which one would be wrong in ascribing to some kind of effort at cultural revolution.

#### Who Were the Rebels?

The rebels at Mecca were not "renegades," as Radio Riyadh called them, but rather Sunnites hostile to the Saud family. Their spiritual leader, Mohammed Abdallah al-Qahtani, represented himself, it is said, as a new messiah. He was a pure product of the theological colleges of Mecca and Medina. As to the violent uprisings which followed the siege of the Great Mosque, it should be made clear that these occurred in the eastern part of the country, in Hassa, where a Shiite community of 400,000 persons, i.e., 10 to 15 percent of the population of the kingdom, lives. This minority, which supplies a third of the manpower employed in the Aramco installations, feels politically and economically neglected. That it listens to the appeals from Iran, there can be no doubt. Riyadh knows this, and so official circles redouble their vigilance to insure the protection of the oil wells against any sabotage, but there is also an effort to distribute the manna of income from the single national asset better, in brief, the well-known ploy of the carrot and the stick.

Certain members of the royal family--princes Ahmed and Sattam, are aware that something must be done for the Shiites, because being at the center of the oil industry, they could do serious harm to the national economy. They know that Ayatollahs Rouhani and Khalkali urged the Shiites of Qatif and Hofuf to rise up against the throne in the name of religion. The Shiites are a majority in Hofuf, but the city is a fief of the Bin Jalawi, allied with the royal family. The mother of King Khalid is a Bin-Jalawi.

The underlying cause of these two revolts should not be sought elsewhere than in the gap which has deepened between the leaders and the led: lack of contact, and what is more serious, lapses by certain princes from the Islamic rules of conduct. "We are told," wrote Philippe Rondot (LE MATIN, 11 December 1979), "that the rebels at Mecca urged the faithful assembled there, by tracts or exhortations, to overthrow those who has thus 'proven themselves unworthy of governing the believers.' The effect which the propagation of such rumors in such profoundly religious circles has should not be underestimated."

#### Putting the House in Order

The masters of the regime have the situation well in hand now. They have corrected it with a mixture of harshness and caution, alternating repression and concession. Sixty-three of the rebels on 20 November last, the first day of the 15th century of the hegira--we know that this was not a mere coincidence--were decapitated in Mecca, Riyadh, Medina and Dahran on the orders of King Khalid, who had previously consulted with 30 Ulemas, "for bearing arms within the boundaries of the holy place and spilling the blood of innocent Moslems." On 1 January of this year, the commanders of the Saudi army were removed and replaced. The authorities in Mecca, including the governor, the brother of the king, engaged in self-criticism. A draft constitution was prepared, since the kingdom has no rule of government but a law defining the status of the Council of Ministers. A consultative council (phawra) will be established. Announced by Prince Fahd, it will have 50 to 60 members. This measure was promised as early as 1975, and should satisfy a growing bourgeoisie trained in the practice of business and Western thinking, to which is being added the second generation princes and the technocrats educated in American colleges and universities. This council must achieve a sort of balance between the possessors of power and the possessors of knowledge.

#### Fifty Percent Foreigners

Another problem remains unresolved, and one does not see how it could be: the very small number of Saudi Arabians in industry. Citizens of a stockholding state, they show little taste for work in such undertakings, preferring administrative jobs or trade. Doubtless this is because Arabia has no craft tradition. The fact remains that more than two million foreign workers, in other words more than 50 percent of the active population in the kingdom, coming from Egypt, Yemen, South Korea, the United States and various other Arab countries, keep production going, direct education, draft the ministerial plans, train pilots, etc. Only a few plants have purely Saudi personnel. So long as the government encourages nonproductive sectors (services and trade) by offering lucrative advantages, it is hardly probable that the situation will change except in a very small way.

Prince Fahd also decided to reorganize the information services, which were visibly unequal to developments during the siege of the Great Mosque. The daily newspaper AL-RIAD harshly criticized the policy of the minister of information, Dr Abduh Yamani, reproaching him for his censorship of photographs of women. That the newspaper could do this was due to the fact that its editor in chief, Turk al-Sudairi, is a member of the same family--the Sudairi clan--as the heir to the throne and deputy prime minister, Prince Fahd, and Prince Sultan, the minister of defense. This blow struck at the traditionalists was offset, however, and in the same daily newspaper, by a blow struck at the modern architects who do not respect Islamic architecture. It was not only the Westerners at whom the paper took aim, but also and possibly the great Saudi entrepreneur Adnan Khashoggi.

#### A King Who Reigns, A King Who Governs

Faisal did not have time--and it takes a great deal of time where caution and circumspection are necessary--to provide Arabia with a constitution or a rule of succession. If he strengthened the state, let us not forget that the Saudi state remains subject to Bedouin custom. Faisal modernized it without changing it. Sincerely devoted to tradition, but persuaded of the need for certain reforms, concerned with both sparing the prejudices of the Ulemas and the privileges of the 3,000 royal princes, on the one hand, and satisfying the aspirations of a bourgeoisie of businessmen and cadres with degrees from American universities, on the other, he was an adept on the domestic level of the Kissinger policy of small steps. Without a doubt he remembered what his father told a foreign ambassador in 1948: "One cannot emerge from the Middle Ages and enter the 20th century on an equal footing without long preparation, particularly if one sets for oneself as an essential goal the preservation of an immutable philosophy."

The monarchic institution is not threatened in Arabia, despite the development last year of a republican movement, whose leader, Nasser al-Said, who fled to Beirut, disappeared from there, probably kidnaped by the Saudi security forces. Arabia, Benoist-Mechin stressed forcefully, has since the legendary days of the Maan and Saba kingdoms been a breeding ground for kings as well as prophets. Later Saud the Great (1803-1815), with a view to enhancing the royal dignity, took for himself the additional titles of Imam of the Wahhabi, guardian of the holy cities, and protector of the faith. What "zaim" coming from the officers' ranks could aspire to the prestige of the Wahhabi sovereign? No such threat exists. Nor does one lie in the Bedouin pledge which makes the throne dependent on the consensus of the Council of Ulemas and Emirs, dominated by the descendants Mohammed ibn-'Abd-al-Wahhab, the Al-Sheikh. The danger lies in the lack of a constitutional rule of succession: the brothers of the defunct king and his advisors must themselves designate the successor, necessarily having to choose from the same genealogical branch. There is a wide choice: Ibn Saud had 42 sons, but he thereby provided the cause for dissension. The divisions within the reigning family represent a threat of instability, although royal solidarity always closes ranks when faced with a danger threatening the dynasty.

#### Criticisms and Escapades by the Princes and the Clans

What weakens the crown most is the court intrigues, the criticisms and escapades of the princes. "There are more than 2,000," writes Tahar Ben Jelloun (LE MONDE, 27 March 1975), "leading a parasitic life in feudal style. The sudden wealth of

the country has made their courts, their harems and their arrogance even more anachronistic. The princely title confers upon them an often symbolic function and a sizeable allowance. They spend their time in leisure pursuits such as hawking or, in some cases, visiting the casinos in Lebanon and Europe. They also gather at Taif, a small residential town with a mild climate 100 km from Jeddah. Their life, all ostentation and boisterous luxury, contrasts with that of the masses, in particular the million Yemenite immigrant workers."

An anachronistic state of affairs, it will be said. Indeed! Like every political order based on custom and privilege.

The court is divided into clans. The predominant clan remains that of the Saud family, but the most influential would have to be the Sudairi (from the name of one of the wives of Abdul-Aziz). King Khalid belongs to the former, Prince Fahd to the latter. The Seven (the Sudairi clan) hold the key posts in the government: Ministry of the Interior (administration and police), the governorates of Najd, which includes the capital, Riyadh, and Hejaz (where the tribes have long been hostile to the Saudis), which includes the holy places.

King Khalid, designated as heir in 1965, owes his throne to them. He reigns, this sober, affable, discreet man in delicate health, but Fahd governs, and he has the necessary qualities. King Khalid is loved in Arabia because he is close to the Bedouins, whom he knows and admires, and whose simple faith and austerity he embodies. With regard to Prince Fahd, he appears as the guarantor of tradition and tribal order. Each year, on the day after Aid El Kebir (the feast of the sacrifice), the king washes the interior of the Kaaba and replaces the black veil enveloping it. Only he has this right. Every Thursday morning, he receives all those who have come to make a request of him.

#### The Strong Man of the Regime

But Fahd holds the essential power as the princely heir and prime minister, and president of the three higher councils: security, oil and education. All important state mechanisms are under his direction.

He is known in the United States, where he has a reputation as a shrewd manager. Ambitious and capable, he might make a more modern sovereign than Faisal, but he is bound by tradition. The hopes Washington had placed in him are illusory. More than a manager, Fahd behaves like a king, a king who knows what he wants and does not jib at the means to achieve it. Money is a government weapon more powerful than the army in Arabia. Fahd makes use of it to help this regime, to consolidate that, to win over that individual. (One of the recent beneficiaries of his generosity was Rifaat al-Assad, the brother of the Syrian king.) Fahd is still relatively young, for he was born in Riyadh in 1923, the eldest of the Seven Sudairi, all sons of Hassa Bint Ahmed. At the time of his circumcision, at the age of seven, he took as his symbol the cheetah, which has the same name in Arabic as he, Fahd. A fore-ordained name.

Minister of interior under Faisal, Fahd very quickly asserted himself as the strong man of the regime, thanks to his rigor in repressing the troubles in 1969 and his political courage. He supports the Palestinians in the UN, rejects Sadat's undertaking, abolished the cruel practice of stoning to which adulteresses were

subjected (although he did not eliminate the death penalty for the same "crime"), and decentralized and simplified the administration. This glutton for work also enjoys living well. He loves life, and knows no fear. Faisal, who had chosen him as his dauphin, valued him highly, although he was sometimes irritated by his modernism or his fondness for gambling. There can be no doubt that he is the guarantor of continuity in Arabia.

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SAUDI ARABIA

MINISTER WARNS AMERICAN BUSINESS ON LOW IMPORTS

Jiddah ARAB NEWS in English 16 Feb 81 p 3

[Text]

AL KHOBAR, Feb. 16 — Commerce Minister Dr. Soliman A. Solaim warned a meeting of American businessmen here Monday that the American presence in Saudi Arabia has dwindled considerably.

"The absolute increase in our total imports from America between 1978 and 1979 amounted to 8.3 per cent, yet America's share in our total imports in fact declined between these two years from 20.8 per cent to 19.1 per cent. As a matter of fact, the U.S. share in total imports in 1979 (19.1 per cent) has not changed much from its 1976 level of 18.6 per cent," the minister said.

In contrast, Japan and West Germany scored gains in both absolute and relative terms, Solaim said. He added that Japan's share in the Kingdom's total imports increased from 12 per cent in 1978 to 16 per cent in 1979, and West Germany's share rose from 8 per cent to 11 per cent in the same period.

The businessmen were told that even a slight erosion in the U.S. export market should be of concern to American businessmen. "Your Bureau of Labor Statistics estimates that each \$1 billion worth of exports of manufactured goods generate jobs for 30,000 skilled employees in the United

States." However, Solaim added that the proportion of Americans employed in Saudi Arabia declined by 30 per cent between 1976 and 1979. "Hence it would seem that technicians from other countries are replacing Americans.

"As businessmen you probably know that a switch in technicians or know-how usually is accompanied by a switch in supply sources. That is, fewer American technicians means fewer orders with U.S. specifications and a diminished American commercial presence," he said.

Business analysts and observers say the reason Americans are losing ground in overseas business lies in self-imposed congressional and bureaucratic restrictions on export potentials, according to the minister. The restrictions include the foreign tax laws, the export administration act and the anti-boycott legislation and its rigid monitoring.

Dr. Solaim said that with the advent of the new Reagan administration, there is a renewed hope, and the prospects to push ahead successfully with this over-due reform in legislation looks much brighter. "The president himself, I am told, has made it known in the past that he favored complete elimination of U.S. taxes on the second income of overseas Americans," the minister added.

CSO: 4820

SAUDI ARABIA

GERMAN INDUSTRY VISIT PLANNED

Jiddah ARAB NEWS in English 18 Feb 81 p 2

[Text]

JEDDAH, Feb. 17 — A delegation of the Federation of German Industries (BDI) will visit the Kingdom from March 7 to March 13, a German Embassy spokesman said here Tuesday.

The delegation will be led by its president, Dr. Rolf Rodenstock. The aim of the visit is to underline the outstanding importance German industry attributes to the Kingdom of Saudi Arabia as a partner for economic and technical cooperation, the spokesman said. In addition, the delegation's intention is to underline the willingness of German industry to engage in the Kingdom's economic and industrial development, the spokesman added. The visit will focus the attention of German mass media and businessmen on this country and will give additional momentum to the relations between the two countries,

the embassy statement said.

The BDI is the top federation of German industries comprising 37 industrial associations in the Federal Republic of Germany, and thus representing more than 100,000 industrial enterprises. The delegation comprises, in addition to BDI president Rodenstock, 17 German businessmen from some of the largest German companies representing various industrial sectors in Germany, the embassy spokesman said.

This will be the first time that German industry sends such a high ranking and representative delegation to the Kingdom. During its stay in the Kingdom, the members of the delegation will meet with high ranking government officials as well as representatives of leading Saudi Arabian business circles, according to the spokesman.

CSO: 4820

JOINT SAUDI-IRISH COMPANY OPENS DAIRY FACTORY

Jiddah ARAB NEWS in English 17 Feb 81 p 2

[Text]

RIYADH, Feb. 16 (SPA) — Minister of Industry and Electricity Dr. Ghazi Algo-saibi, acting on behalf of Riyadh Governor Prince Salman, Sunday dedicated the dairy factory of the Saudi-Irish Dairy Company set up with a SR55 million capital at Industrial Zone II off Al-Kharj road.

The factory will produce 50,000 liters of milk and dairy products a day and will employ 150 workers. Dr. Algo-saibi announced that this was the 1,010th factory to be opened in Saudi Arabia and said, "one day we shall have a solid industrial base that we can pride ourselves with." He said that a factory used to be opened every three days under the second Five-Year-Development-Plan." And we hope that under the third Plan a factory will be completed every two days," he added.

At the start of the second Plan, there hardly were 300 plants in Saudi Arabia in which less than SR1 billion had been invested. By the end of the plan the figure jumped to 1,000 plants in which more than SR26 billion had been invested, Dr. Algo-saibi said.

Dr. Algo-saibi thanked in particular Dallah-Avco company for having entered "with enthusiasm and determination" the industrial domain. He urged businessmen to follow Dallah-Avco's example and turn their attention to industry.

Taking the floor next, Planning Minister Sheikh Hisham Nazer noted that foreign investments in Saudi Arabia proved the strength of Saudi economy and the confidence which foreigners have in the country's (political and economic) stability. It also

shows how active Saudi industrialists are, the minister pointed out.

The ceremony also was addressed by Michael Smith, Irish state minister for agriculture, who said he was impressed by Saudi Arabia's industrial renaissance, and by Brian Joyce, director general of the Irish Dairy Corporation.

In another development, possible Saudi Dutch cooperation in industry and electricity was discussed here Sunday between Dr. Ghazi Algo-saibi, minister of industry and electricity, and G.J.M. Braks, the Netherlands minister of agriculture and fisheries.

The meeting was attended by Mahmoud Taiba, governor of the General Electricity Board; Dr. Fuad Al-Faresi, industry under-secretary; and Abdul Aziz Al-Zamel, vice president and delegated member to the board of the Saudi Arabian Basic Industries Corporations (SABIC).

Braks, who arrived here Friday on a few days' visit to the Kingdom, also reviewed a wide range of economic issues Sunday with Sheikh Muhammad Aba Al-Khail, the minister of finance and national economy. He also discussed with Planning Minister Sheikh Hisham Nazer the participation of Dutch experts in Saudi Arabia's development projects.

In the morning, Braks and the accompanying delegation, visited the Regional Center for Agricultural and Water Research and the Agriculture Training Center. He also visited a water purification plant.

SYRIA

PRESIDENT ASAD RECEIVES MESSAGE FROM PROGRESSIVE PARTIES IN ADEN

JN252133 Damascus SANA in Arabic 1800 GMT 25 Feb 81

[Text] Damascus, 25 Feb (SANA)--President Hafiz al-Asad has received a cable of greetings and support from the representatives of the national liberation movements and the (?Arab) progressive parties in Aden.

The cable stressed the national and progressive forces' stand at the side of Syria in its firm and militant opposition to the imperialist, Zionist and reactionary forces as well as its firm confrontation of the imperialist plots and their agent instruments.

The cable pointed out that at a time when the imperialist-Zionist-reactionary campaign against the Arab nation is becoming fiercer and when the Zionist aggressor is continuing against the Palestinian and Lebanese [words indistinct] and camps with the aim of striking at the Palestinian revolution and the Lebanese nationalist movement, the Jordanian regime continues its frenzied campaign against Arab Syria through [words indistinct] Arabism and Islam. It is also escalating its propaganda and political campaign to distort Syria's steadfastness in the face of the plots.

It added that the Jordanian regime is plotting at this time in particular against the Palestinian revolution and people through its attempts to rob the plot of its right to represent its people and by means of jailing the Palestinian strugglers.

In conclusion, the cable stressed the need to bolster the coordination and militant relations with the PLO and the Lebanese nationalist movement. It also stressed the need to bolster cooperation with the socialist countries, headed by the Soviet Union, and all forces of liberation and progress in the world for the sake of defeating the hostile schemes [words indistinct] the imperialist and Zionist presence on Arab territory.

CSO: 4802

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